



Electricity Act 1989

1989 CHAPTER 29

PART I

ELECTRICITY SUPPLY

Introductory

F1

Textual Amendments

F1 S. 1 repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

F2

Textual Amendments

F2 S. 2 repealed (7.11.2000) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2000/2974, art. 2, **Sch.** (subject to transitional provisions in arts. 3-12)

F3 **General duties of Secretary of State and Director.**

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Textual Amendments

F3 S. 3A substituted for s. 3 (20.12.2000) by 2000 c. 27, s. 13; S.I. 2000/3343, art. 2, **Sch.** (subject to transitional provisions in arts. 3-15) (as amended by S.I. 2001/1780, art. 2)

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[^{F4}3A The principal objective and general duties of the Secretary of State and the Authority.

(1) The principal objective of the Secretary of State and the Gas and Electricity Markets Authority (in this Act referred to as “the Authority”) in carrying out their respective functions under this Part is to protect the interests of [^{F5}existing and future] consumers in relation to electricity conveyed by distribution systems [^{F6}or transmission systems]^{F7}... .

[Those interests of existing and future consumers are their interests taken as a whole,
^{F8}(1A) including—

- (a) their interests in the reduction of electricity-supply emissions of targeted greenhouse gases; and
- (b) their interests in the security of the supply of electricity to them.

(1B) The Secretary of State and the Authority shall carry out their respective functions under this Part in the manner which the Secretary of State or the Authority (as the case may be) considers is best calculated to further the principal objective, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors.

(1C) Before deciding to carry out functions under this Part in a particular manner with a view to promoting competition as mentioned in subsection (1B), the Secretary of State or the Authority shall consider—

- (a) to what extent the interests referred to in subsection (1) of consumers would be protected by that manner of carrying out those functions; and
- (b) whether there is any other manner (whether or not it would promote competition as mentioned in subsection (1B)) in which the Secretary of State or the Authority (as the case may be) could carry out those functions which would better protect those interests.]

(2) [^{F9}In performing the duties under subsections (1B) and (1C), the Secretary of State or the Authority shall have regard to]—

- (a) the need to secure that all reasonable demands for electricity are met; and
- (b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under this Part^{F10}, the Utilities Act 2000^{F11}, Part 2 or 3 of the Energy Act 2004^{F12}, Part 2 or 5 of the Energy Act 2008 or section 4, Part 2, or sections 26 to 29 of the Energy Act 2010]]]]^{F13}; and
- (c) the need to contribute to the achievement of sustainable development.]

(3) In performing [^{F14}the duties under subsections (1B), (1C) and (2)], the Secretary of State or the Authority shall have regard to the interests of—

- (a) individuals who are disabled or chronically sick;
- (b) individuals of pensionable age;
- (c) individuals with low incomes; and
- (d) individuals residing in rural areas;

but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer.

(4) The Secretary of State and the Authority may, in carrying out any function under this Part, have regard to—

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- (a) the interests of consumers in relation to gas conveyed through pipes (within the meaning of the ^{M1}Gas Act 1986); and
 - (b) any interests of consumers in relation to—
 - ^{F15}(i) communications services and electronic communications apparatus, or
 - (ii) water services or sewerage services (within the meaning of the ^{M2}Water Industry Act 1991),which are affected by the carrying out of that function.
- (5) Subject to ^{F16}subsections (1B) and] (2), the Secretary of State and the Authority shall carry out their respective functions under this Part in the manner which he or it considers is best calculated—
- (a) to promote efficiency and economy on the part of persons authorised by licences or exemptions to ^{F17}distribute, supply or participate in the transmission of] electricity ^{F18}or to participate in the operation of electricity interconnectors] and the efficient use of electricity conveyed by distribution systems ^{F19}or transmission systems];
 - (b) to protect the public from dangers arising from the generation, transmission, distribution or supply of electricity;
 - ^{F20}(ba)
 - (c) to secure a diverse and viable long-term energy supply, ^{F21}and ^{F22}... shall], in carrying out those functions, have regard to the effect on the environment of activities connected with the generation, transmission, distribution or supply of electricity.
- [In carrying out their respective functions under this Part in accordance with the
- ^{F23}(5A) preceding provisions of this section the Secretary of State and the Authority must each have regard to—
- (a) the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed; and
 - (b) any other principles appearing to him or, as the case may be, it to represent the best regulatory practice.]
- [In subsection (1A)—
- ^{F24}(5B) “emissions” has the same meaning as in the Climate Change Act 2008 (see section 97 of that Act);
- “electricity-supply emissions” in relation to emissions of a targeted greenhouse gas, means any such emissions (wherever their source) that are wholly or partly attributable to, or to commercial activities connected with, the generation, transmission, distribution or supply of electricity or the provision or use of electricity interconnectors;
- “targeted greenhouse gases” has the same meaning as in Part 1 of the Climate Change Act 2008 (see section 24 of that Act).]
- (6) In ^{F25}subsections ^{F26}(1C),] (3) and (4) references to consumers include] both existing and future consumers.
 - (7) In this section and sections 3B and 3C, references to functions of the Secretary of State or the Authority under this Part include a reference to functions under the Utilities Act 2000 which relate to electricity conveyed by distribution systems ^{F27}or transmission systems].

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- (8) In this Part, unless the context otherwise requires—
“exemption” means an exemption granted under section 5;
“licence” means a licence under section 6 and “licence holder” shall be construed accordingly.]

Textual Amendments

- F4** S. 3A substituted for s. 3 (20.12.2000) by 2000 c. 27, s. 13; S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15) (as amended by S.I. 2001/1780, art. 2)
- F5** Words in s. 3A(1) inserted (26.1.2009) by Energy Act 2008 (c. 32), ss. 83(2)(a), 110(2); S.I. 2009/45, art. 2(d)(i)
- F6** Words in s. 3A(1) inserted (1.4.2006 for specified purposes, 1.4.2010 in so far as not already in force) by Energy Act 2004 (c. 20), s. 179(2)(3)(a), 198(2); S.I. 2005/2965, art. 3
- F7** Words in s. 3A(1) omitted (8.6.2010) by virtue of Energy Act 2010 (c. 27), ss. 17(2), 38(3)
- F8** Ss. 3A(1A)-(1C) inserted (8.6.2010) by Energy Act 2010 (c. 27), ss. 17(3), 38(3)
- F9** Words in s. 3A(2) substituted (8.6.2010) by Energy Act 2010 (c. 27), ss. 17(4)(a), 38(3)
- F10** Words in s. 3A(2)(b) substituted (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by Energy Act 2004 (c. 20), ss. 190(3), 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1
- F11** Words in s. 3A(2)(b) substituted (26.11.2008) by Energy Act 2008 (c. 32), ss. 102(6), 110(2)
- F12** Words in s. 3A(2)(b) substituted (8.6.2010) by Energy Act 2010 (c. 27), ss. 17(4)(b), 38(3)
- F13** S. 3A(2)(c) and preceding word inserted (26.1.2009) by Energy Act 2008 (c. 32), ss. 83(2)(b), 110(2); S.I. 2009/45, art. 2(d)(i)
- F14** Words in s. 3A(3) substituted (8.6.2010) by Energy Act 2010 (c. 27), ss. 17(5), 38(3)
- F15** S. 3A(4)(b)(i) substituted (25.7.2003 for specified purposes, 29.12.2003 in so far as not already in force) by Communications Act 2003 (c. 21), s. 411(2), Sch. 17 para. 98 (with Sch. 18); S.I. 2003/1900, arts. 1(2), 2(1), Sch. 1 (with art. 3) (as amended by S.I. 2003/3142, art. 1(3)); S.I. 2003/3142, art. 3(2) (with art. 11)
- F16** Words in s. 3A(5) substituted (8.6.2010) by Energy Act 2010 (c. 27), ss. 17(6)(a), 38(3)
- F17** Words in s. 3A(5)(a) substituted (1.9.2004) by Energy Act 2004 (c. 20), s. 198(2), Sch. 19 para. 4; S.I. 2004/2184, art. 2(2), Sch. 2
- F18** Words in s. 3A(5)(a) inserted (1.12.2004) by Energy Act 2004 (c. 20), ss. 147(2)(b), 198(2); S.I. 2004/2575, art. 2(2), Sch. 2
- F19** Words in s. 3A(5)(a) inserted (1.4.2006 for specified purposes, 1.4.2010 in so far as not already in force) by Energy Act 2004 (c. 20), s. 179(2)(3)(a), 198(2); S.I. 2005/2965, art. 3
- F20** S. 3A(5)(ba) repealed (26.1.2009) by Energy Act 2008 (c. 32), ss. 83(2)(c), 110(2), Sch. 6; S.I. 2009/45, art. 2(d)(bb)(e)(vi)(i)
- F21** Words in s. 3A(5) substituted (5.10.2004) by Energy Act 2004 (c. 20), ss. 83(b), 198(2); S.I. 2004/2575, art. 2(1), Sch. 1
- F22** Words in s. 3A(5) omitted (8.6.2010) by virtue of Energy Act 2010 (c. 27), ss. 17(6)(b), 38(3)
- F23** S. 3A(5A) inserted (5.10.2004) by Energy Act 2004 (c. 20), ss. 178, 198(2); S.I. 2004/2575, art. 2(1), Sch. 1
- F24** S. 3A(5B) inserted (8.6.2010) by Energy Act 2010 (c. 27), ss. 17(7), 38(3)
- F25** Words in s. 3A(6) substituted (26.1.2009) by Energy Act 2008 (c. 32), ss. 83(2)(d), 110(2); S.I. 2009/45, art. 2(d)(i)
- F26** Word in s. 3A(6) inserted (8.6.2010) by Energy Act 2010 (c. 27), ss. 17(8), 38(3)
- F27** Words in s. 3A(7) inserted (1.4.2006 for specified purposes, 1.4.2010 in so far as not already in force) by Energy Act 2004 (c. 20), s. 179(2)(3)(a), 198(2); S.I. 2005/2965, art. 3

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Modifications etc. (not altering text)

- C1** Ss. 3A-3D applied (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by [Energy Act 2004 \(c. 20\)](#), **ss. 190(2)**, 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1
- C2** S. 3A: transfer of functions (23.3.2005) by [The Scotland Act 1998 \(Transfer of Functions to the Scottish Ministers etc.\) Order 2005 \(S.I. 2005/849\)](#), art. 1, **Sch.** (with art. 6)
- C3** Ss. 3A-3D applied (21.8.2006) by [Climate Change and Sustainable Energy Act 2006 \(c. 19\)](#), **ss. 8(6)**, 28(1)
- C4** Ss. 3A-3D applied (26.11.2008) by [Energy Act 2008 \(c. 32\)](#), **ss. 102(4)**, 110(2)
- C5** Ss. 3A-3D applied (8.4.2010) by [Energy Act 2010 \(c. 27\)](#), **ss. 30(2)**, 38(1)

Marginal Citations

- M1** 1986 c. 44.
M2 1991 c. 56.

[^{F28}3B Guidance on social and environmental matters.

- (1) The Secretary of State shall from time to time issue guidance about the making by the Authority of a contribution towards the attainment of any social or environmental policies set out or referred to in the guidance.
- (2) The Authority shall, in carrying out its functions under this Part, have regard to any guidance issued under this section.
- (3) Before issuing guidance under this section the Secretary of State shall consult—
 - (a) the Authority;
 - [^{F29}(b) the Council;]
 - (c) licence holders; and
 - (d) such other persons as the Secretary of State considers it appropriate to consult in relation to the guidance.
- (4) A draft of any guidance proposed to be issued under this section shall be laid before each House of Parliament.
- (5) Guidance shall not be issued under this section until after the period of forty days beginning with—
 - (a) the day on which the draft is laid before each House of Parliament; or
 - (b) if the draft is laid before the House of Lords on one day and the House of Commons on another, the later of those two days.
- (6) If, before the end of that period, either House resolves that the guidance should not be issued, the Secretary of State must not issue it.
- (7) In reckoning any period of forty days for the purposes of subsection (5) or (6), no account shall be taken of any time during which—
 - (a) Parliament is dissolved or prorogued; or
 - (b) both Houses are adjourned for more than four days.
- (8) The Secretary of State shall arrange for any guidance issued under this section to be published in such manner as he considers appropriate.]

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Textual Amendments

- F28** S. 3B inserted (20.12.2000) by 2000 c. 27, s. 14; S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15) (as amended by S.I. 2001/1780, art. 2)
- F29** S. 3B(3)(b) substituted (1.10.2008) by Consumers, Estate Agents and Redress Act 2007 (c. 17), s. 66(2), Sch. 7 para. 8; S.I. 2008/2550, art. 2, Sch.

Modifications etc. (not altering text)

- C1** Ss. 3A-3D applied (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by Energy Act 2004 (c. 20), ss. 190(2), 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1
- C3** Ss. 3A-3D applied (21.8.2006) by Climate Change and Sustainable Energy Act 2006 (c. 19), ss. 8(6), 28(1)
- C4** Ss. 3A-3D applied (26.11.2008) by Energy Act 2008 (c. 32), ss. 102(4), 110(2)
- C5** Ss. 3A-3D applied (8.4.2010) by Energy Act 2010 (c. 27), ss. 30(2), 38(1)

[^{F30} 3C Health and safety.

- (1) The Secretary of State and the Authority shall consult [^{F31}the Health and Safety Executive] about all electricity safety issues which may be relevant to the carrying out of any of their respective functions under this Part.
- (2) The Secretary of State may require the Authority also to consult him about electricity safety issues of particular descriptions.
- (3) The Secretary of State and the Authority shall, in carrying out their respective functions under this Part, take into account any advice given by [^{F31}the Health and Safety Executive] about any electricity safety issue (whether or not in response to consultation under subsection (1)).
- (4) The Authority shall, in carrying out its functions under this Part, take into account any advice given by the Secretary of State about any electricity safety issue (whether or not in response to consultation under subsection (2)).
- (5) For the purposes of this section an electricity safety issue is anything concerning the generation, transmission, distribution or supply of electricity which may affect the health and safety of—
 - (a) members of the public; or
 - (b) persons employed in connection with any of those activities.]

Textual Amendments

- F30** S. 3C inserted (20.12.2000) by 2000 c. 27, s. 15; S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15) (as amended by S.I. 2001/1780, art. 2)
- F31** Words in s. 3C(1)(3) substituted (1.4.2008) by The Legislative Reform (Health and Safety Executive) Order 2008 (S.I. 2008/960), art. 1, Sch. 3 (with art. 21, Sch. 2)

Modifications etc. (not altering text)

- C1** Ss. 3A-3D applied (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by Energy Act 2004 (c. 20), ss. 190(2), 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1

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- C3 Ss. 3A-3D applied (21.8.2006) by [Climate Change and Sustainable Energy Act 2006 \(c. 19\)](#), **ss. 8(6), 28(1)**
- C4 Ss. 3A-3D applied (26.11.2008) by [Energy Act 2008 \(c. 32\)](#), **ss. 102(4), 110(2)**
- C5 Ss. 3A-3D applied (8.4.2010) by [Energy Act 2010 \(c. 27\)](#), **ss. 30(2), 38(1)**

[^{F32}3D Exceptions from sections 3A to 3C.

- (1) Section 3A does not apply in relation to the issuing by the Secretary of State of guidance under section 3B.
- (2) Sections 3A to 3C do not apply in relation to functions of the Secretary of State under [^{F33}sections 36 to 37].
- (3) Sections 3A to 3C do not apply in relation to anything done by the Authority—
 - (a) in the exercise of functions relating to the determination of disputes;
 - (b) in the exercise of functions under section 43(3).
- (4) The Authority may nevertheless, when exercising any function under section 43(3), have regard to any matter in respect of which a duty is imposed by sections 3A to 3C (“a general matter”), if it is a matter to which [^{F34}the Office of Fair Trading] could have regard when exercising that function (but that is not to be taken as implying that, in relation to functions mentioned in subsection (2), regard may not be had to any general matter).
- (5) The duties imposed by sections 3A to 3C do not affect the obligation of the Authority or the Secretary of State to perform or comply with any other duty or requirement (whether arising under this Act or another enactment, by virtue of any Community obligation or otherwise).]

Textual Amendments

- F32 S. 3D inserted (20.12.2000) by [2000 c. 27, s. 16](#); [S.I. 2000/3343, art. 2, Sch.](#) (subject to transitional provisions in [arts. 3-15](#)) (as amended by [S.I. 2001/1780, art. 2](#))
- F33 Words in s. 3D substituted (1.3.2005) by [Energy Act 2004 \(c. 20\), ss. 99\(3\), 198\(2\)](#); [S.I. 2005/442, art. 2\(1\), Sch. 1](#)
- F34 Words in s. 3D(4) substituted (1.4.2003) by [Enterprise Act 2002 \(c. 40\), s. 279, Sch. 25 para. 20\(2\)](#); [S.I. 2003/766, art. 2, Sch.](#) (with [art. 3](#)) (as amended (20.7.2007) by [S.I. 2007/1846, reg. 3\(2\), Sch.](#))

Modifications etc. (not altering text)

- C1 Ss. 3A-3D applied (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by [Energy Act 2004 \(c. 20\), ss. 190\(2\), 198\(2\)](#); [S.I. 2004/2184, art. 2\(1\), Sch. 1](#); [S.I. 2004/2575, art. 2\(1\), Sch. 1](#)
- C3 Ss. 3A-3D applied (21.8.2006) by [Climate Change and Sustainable Energy Act 2006 \(c. 19\), ss. 8\(6\), 28\(1\)](#)
- C4 Ss. 3A-3D applied (26.11.2008) by [Energy Act 2008 \(c. 32\), ss. 102\(4\), 110\(2\)](#)
- C5 Ss. 3A-3D applied (8.4.2010) by [Energy Act 2010 \(c. 27\), ss. 30\(2\), 38\(1\)](#)
- C6 S. 3D(4) excluded (20.12.2000) by [S.I. 2000/3343, art. 10\(1\)\(b\)](#) (subject to transitional provisions in [arts. 3-15](#))

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