ENERGY ACT 2008

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EXPLANATORY NOTES

Part 5: Miscellaneous

Duties of Gas and Electricity Markets Authority
Commentary on Sections

Section 83: Duties of the Gas and Electricity Markets Authority

433.   This section amends the duties of the Secretary of State and the Authority in sections 4AA of the Gas Act 1986 and 3A of the Electricity Act 1989 in two ways.

434.   *Subsection (1)* amends subsection 4AA(1) of the Gas Act to add the words "existing and future" before "consumers" in the principal objective set out in this section. The principal objective requires the Secretary of State and the Authority, in carrying out their functions under Part 1 of the Gas Act, to protect the interests of consumers wherever appropriate by promoting effective competition. This section emphasises the need for the Secretary of State and the Authority to take the needs of tomorrow's consumers into account as part of the principal objective.

435.   Section 4AA(2)(b) of the Gas Act specifies the issues which the Secretary of State and the Authority must have regard for in carrying out their functions in the manner best calculated to further the principal objective. *Subsection (1)* inserts a new provision into this section of the Gas Act, requiring the Secretary of State and the Authority to have regard to the need to contribute to the achievement of sustainable development. This has the effect of moving the sustainable development duty up the "hierarchy" of secondary duties and means that the Secretary of State and the Authority will need to consider sustainable development, as well as security of energy supply and licensees' ability to finance activities, under section 4AA(2).

436.   *Subsection (2)* makes the same changes to the principal objective in section 3A(1) of the Electricity Act and inserts the same provision concerning sustainability at section 3A(2)(b) of the Electricity Act.

437.   Schedule 5 repeals the existing sustainability duty in section 4AA(5)(ba) of the Gas Act and section 3A(5)(ba) of the Electricity Act.