



# Energy Act 2011

## 2011 CHAPTER 16

### PART 2

#### SECURITY OF ENERGY SUPPLIES

### CHAPTER 2

#### GAS SUPPLY

#### **81 Power of the Gas and Electricity Markets Authority to direct a modification of the Uniform Network Code**

(1) After section 36B of the Gas Act 1986 insert—

#### **“36C Power to direct a modification of the UNC**

- (1) The Authority may direct the operator of the gas National Transmission System to make a modification to which this section applies and which is specified in the direction to the Uniform Network Code.
- (2) This section applies to a modification—
  - (a) which relates to the arrangements contained in the Code in respect of a Gas Supply Emergency, and
  - (b) which the Authority considers is a market-based modification.
- (3) The Authority may give a direction under this section only if it considers that the modification will do either or both of the following—
  - (a) decrease the likelihood of a Gas Supply Emergency occurring;
  - (b) decrease the duration or severity of a Gas Supply Emergency which occurs.

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*Status: This is the original version (as it was originally enacted).*

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- (4) In the exercise of the power under this section the Authority must have regard to the purposes of Standard Special Condition A11 of licences granted under section 7 of this Act.
- (5) For the purposes of subsection (2), a modification is “market-based” if it relates to the creation of financial incentives for gas shippers or gas transporters.
- (6) Before giving a direction under this section the Authority must consult such persons as it considers appropriate.
- (7) In this section—  
     “Gas Supply Emergency” and “National Transmission System” have the meaning given by the Uniform Network Code;  
     “the Uniform Network Code” means the document of that title required to be prepared pursuant to Standard Special Condition A11 of licences granted under section 7 of this Act.”
- (2) The requirement of subsection (6) of section 36C of the Gas Act 1986 may be satisfied by consultation before, as well as consultation after, the passing of this Act.
- (3) In section 38A of the Gas Act 1986 (reasons for decisions), in subsection (1), after paragraph (e) insert—  
     “(ea) the giving of a direction under section 36C;”.
- (4) In section 173 of the Energy Act 2004 (appeals to the Competition Commission), after subsection (2) insert—  
     “(2A) This section also applies to a decision by GEMA to give a direction under section 36C of the Gas Act 1986 (power to direct a modification of the Uniform Network Code).  
     (2B) But subsection (2A) does not have effect in relation to such a decision if it falls within a description of decisions for the time being excluded from the right of appeal under this section by an order made by the Secretary of State.”
- (5) In section 175 of the Energy Act 2004 (determination of appeals), in subsection (4)(b) for “the purposes for which the relevant condition has effect” substitute “—  
     (i) the purposes for which the relevant condition has effect (in the case of an appeal by virtue of section 173(2)), or  
     (ii) the purposes of the power to give a direction under section 36C of the Gas Act 1986 or the purposes of Standard Special Condition A11 of licences granted under section 7 of that Act (in the case of an appeal by virtue of section 173(2A))”.
- (6) In Schedule 22 to the Energy Act 2004 (procedure for appeals under section 173 of that Act), in paragraph 3(6) (suspension of a decision) after “direction” insert “(including a direction being appealed against by virtue of section 173(2A) of this Act)”.