



Infrastructure Act 2015

2015 CHAPTER 7

PART 6

ENERGY

Recovery of UK petroleum

42 Levy on holders of certain energy industry licences

- (1) The Secretary of State may, by regulations, provide for a levy to be imposed on, and be payable by, one or more of the following kinds of persons—
 - (a) persons who hold licences under section 2 of the Petroleum (Production) Act 1934 or licences under section 3 of the Petroleum Act 1998 (exploitation of petroleum);
 - (b) persons who hold licences under section 4 of the Energy Act 2008 (unloading and storing gas);
 - (c) persons who hold licences under section 18 of the Energy Act 2008 granted by the Secretary of State (storage of carbon dioxide).
- (2) No licensing levy is to be imposed in respect of a time which falls after the end of the period of 3 years beginning with the first day of the first charging period.
- (3) The Secretary of State must exercise the power conferred by subsection (1) so as to secure—
 - (a) that the total amount of licensing levy which is payable in respect of a charging period does not exceed the costs incurred by the Secretary of State in exercising the relevant functions in respect of that period; and
 - (b) that no levy is payable in respect of costs incurred in any exercise of relevant functions for which a charge is payable under the Gas and Petroleum (Consents) Charges Regulations 2013 (as those Regulations stand when this section comes into force).

Status: This is the original version (as it was originally enacted).

- (4) In determining for the purposes of subsection (3)(a) the total amount of licensing levy payable in respect of a charging period, an amount of levy payable in respect of that period may be ignored if (during that period or subsequently)—
- (a) having been paid, it is repaid or credit for it is given against other licensing levy that is payable; or
 - (b) having not been paid, the requirement to pay it is cancelled.
- (5) The “relevant functions” referred to in subsection (3) are—
- (a) functions under the following enactments—
 - (i) the Pipe-lines Act 1962 (cross-country pipe-lines);
 - (ii) section 3 and the other provisions of Part 1 of the Petroleum Act 1998 (exploitation of petroleum);
 - (iii) Part 1A of the Petroleum Act 1998 (maximising economic recovery of UK petroleum);
 - (iv) Part 3 of the Petroleum Act 1998 (submarine pipelines);
 - (v) Part 4 of the Petroleum Act 1998, in so far as the functions concern reduction of the costs of abandonment of offshore installations and submarine pipelines;
 - (vi) section 4 and the other provisions of Chapter 2 of Part 1 of the Energy Act 2008 (importation and storage of combustible gas);
 - (vii) section 18 and the other provisions of Chapter 3 of Part 1 of the Energy Act 2008 (storage of carbon dioxide);
 - (viii) Chapter 3 of Part 2 of the Energy Act 2011 (upstream petroleum infrastructure);
 - (b) carrying out policy work on matters relating to UK petroleum and its recovery;
 - (c) providing advice and assistance to the petroleum industry on matters relating to UK petroleum and its recovery;
 - (d) collaborating with the petroleum industry on matters relating to UK petroleum and its recovery;
 - (e) acquiring, using and supplying information on matters relating to UK petroleum and its recovery;
 - (f) encouraging development of the petroleum industry in relation to the recovery of UK petroleum;
 - (g) carrying out, or providing advice and assistance to those carrying out, research and development in relation to technology and products relevant to the recovery of UK petroleum;
 - (h) functions which relate to—
 - (i) the security of petroleum supplies, or
 - (ii) the resilience of the petroleum industry;
 - (i) international co-operation on matters relating to UK petroleum and its recovery, including—
 - (i) resolution of disputes relating to the entitlements of different countries in relation to petroleum fields, and
 - (ii) openness and accountability in the management of natural resources.
- (6) The matters relating to UK petroleum and its recovery which fall within paragraphs (b), (c), (d) and (e) of subsection (5) include—
- (a) maximising the economic recovery of UK petroleum, and
 - (b) improving the supply chain of UK petroleum.

- (7) The amount or amounts of licensing levy payable by licence holders must be—
- (a) set out in the regulations, or
 - (b) calculated in accordance with a method set out in the regulations.
- (8) The licensing levy is payable to the Secretary of State.
- (9) Schedule 7 (the licensing levy) has effect.
- (10) Schedule 7 does not limit the provision that may be made by regulations under this section.
- (11) The Secretary of State may, by regulations, amend subsection (3)(b) by adding, removing or amending a reference to any regulations made under section 188 of the Energy Act 2004.
- (12) In this section and Schedule 7—
- “charging period” means a period in respect of which licensing levy is payable;
 - “licensing levy” means the levy provided for in regulations under this section;
 - “UK petroleum” means petroleum (within the meaning given in section 1 of the Petroleum Act 1998) which for the time being exists in its natural condition in strata beneath—
 - (a) the territorial sea adjacent to the United Kingdom, and
 - (b) the sea in any area designated under section 1(7) of the Continental Shelf Act 1964.