



Energy Prices Act 2022

2022 CHAPTER 44

Reduction of domestic energy bills in England, Wales and Scotland

1 Domestic energy price reduction schemes for Great Britain

- (1) The Secretary of State may establish a domestic electricity price reduction scheme for Great Britain.
- (2) A “domestic electricity price reduction scheme for Great Britain” is a scheme (including any other related arrangements) that makes provision for and in connection with—
 - (a) reducing the amount that would otherwise be charged for GB domestic electricity supply by licensed electricity suppliers who are parties to the scheme, and
 - (b) making payments to those suppliers in respect of those reductions in charges.
- (3) The Secretary of State may establish a domestic gas price reduction scheme for Great Britain.
- (4) A “domestic gas price reduction scheme for Great Britain” is a scheme (including any other related arrangements) that makes provision for and in connection with—
 - (a) reducing the amount that would otherwise be charged for GB domestic gas supply by licensed gas suppliers who are parties to the scheme, and
 - (b) making payments to those suppliers in respect of those reductions in charges.
- (5) A domestic electricity or gas price reduction scheme for Great Britain may, in particular, provide for the amount charged to be reduced by an amount calculated by reference to the difference between—
 - (a) charges that would be made if the scheme were not applicable, and
 - (b) an amount specified in, or in accordance with, the scheme.
- (6) The Secretary of State may modify or revoke a domestic electricity or gas price reduction scheme for Great Britain.
- (7) But if the scheme includes provision about modification or revocation of the scheme, the Secretary of State’s power to modify or revoke it is subject to that provision.

- (8) Any such provision of the scheme does not prevent the Secretary of State from modifying the scheme if—
- (a) the Secretary of State considers that a licensed electricity supplier or licensed gas supplier may make, or has made, arrangements whose primary purpose is to increase payments to the supplier under the scheme, and
 - (b) the purpose of the modification of the scheme is to prevent the increased payments or require repayment of increased payments.
- (9) For provision about time limits on the exercise of the powers conferred by this section, see Schedule 6.

2 GB electricity scheme: supplementary provision

- (1) This section—
- (a) applies in relation to a domestic electricity price reduction scheme for Great Britain that is designated for the purposes of this section in regulations made by the Secretary of State (the “designated scheme”); and
 - (b) applies in relation to the designated scheme as it has effect from time to time.
- (2) A licensed electricity supplier who provides GB domestic electricity supply—
- (a) must take all reasonable steps to become a party to the designated scheme as soon as is reasonably practicable;
 - (b) must, after becoming a party to the designated scheme, remain a party unless and until it ceases to be a party in accordance with the terms of the designated scheme;
 - (c) must, while a party to the designated scheme, comply with the terms of the designated scheme that are applicable to it.
- (3) The Secretary of State must publish the designated scheme (as it has effect from time to time), so far as the Secretary of State considers it appropriate to do so.
- (4) The provision made by paragraph 6(g) of Schedule 6A to the Electricity Act 1989 (enforcement by GEMA) does not prevent any other remedy from being pursued or obtained in respect of non-compliance with the terms of the designated scheme (including any remedy in the law of contract).
- (5) The Secretary of State is not liable in the law of contract for things done or omitted in the performance or purported performance of the terms of the designated scheme, unless the liability relates to payment of an amount under the scheme.
- (6) A domestic electricity price reduction scheme for Great Britain that was established before section 1(1) came into force otherwise than in accordance with that section (a “pre-commencement scheme”) may be designated for the purposes of this section.
- (7) But no action may be taken in reliance on paragraph 6(g) of Schedule 6A to the Electricity Act 1989 in relation to non-compliance with a pre-commencement scheme that is designated if or to the extent that the non-compliance occurred before the scheme is designated.
- (8) Regulations under this section are subject to the negative procedure.

3 GB gas scheme: supplementary provision

- (1) This section—
 - (a) applies in relation to a domestic gas price reduction scheme for Great Britain that is designated for the purposes of this section in regulations made by the Secretary of State (the “designated scheme”); and
 - (b) applies in relation to the designated scheme as it has effect from time to time.
- (2) A licensed gas supplier who provides GB domestic gas supply—
 - (a) must take all reasonable steps to become a party to the designated scheme as soon as is reasonably practicable;
 - (b) must, after becoming a party to the designated scheme, remain a party unless and until it ceases to be a party in accordance with the terms of the designated scheme;
 - (c) must, while a party to the designated scheme, comply with the terms of the designated scheme that are applicable to it.
- (3) A gas shipper must apply to become a party to the designated scheme if—
 - (a) that gas shipper receives from another party to the designated scheme a written request to become a party, and
 - (b) the designated scheme would not operate effectively if that gas shipper was not a party;and the gas shipper must make that application as soon as reasonably practicable after receiving the request.
- (4) A gas shipper—
 - (a) must, after becoming a party to the designated scheme, remain a party unless and until it ceases to be a party in accordance with the terms of the designated scheme;
 - (b) must, while a party to the designated scheme, comply with the terms of the designated scheme that are applicable to it.
- (5) The Secretary of State must publish the designated scheme (as it has effect from time to time), so far as the Secretary of State considers it appropriate to do so.
- (6) The provision made by paragraph 4(f) of Schedule 4B to the Gas Act 1986 (enforcement by GEMA) does not prevent any other remedy from being pursued or obtained in respect of non-compliance with the terms of the designated scheme (including any remedy in the law of contract).
- (7) The Secretary of State is not liable in the law of contract for things done or omitted in the performance or purported performance of the terms of the designated scheme, unless the liability relates to payment of an amount under the scheme.
- (8) A domestic gas price reduction scheme for Great Britain that was established before section 1(3) came into force otherwise than in accordance with that section (a “pre-commencement scheme”) may be designated for the purposes of this section.
- (9) But no action may be taken in reliance on paragraph 4(f) of Schedule 4B to the Gas Act 1986 in relation to non-compliance with a pre-commencement scheme that is designated if or to the extent that the non-compliance occurred before the scheme is designated.
- (10) Regulations under this section are subject to the negative procedure.

4 Interpretation of sections 1 to 3

- (1) This section applies for the purposes of sections 1 to 3 and this section.

Expressions relating to electricity

- (2) A “licensed electricity supplier” is a person who holds an electricity supply licence.
- (3) An “electricity supply licence” is a licence granted under section 6(1)(d) of the Electricity Act 1989.
- (4) “GB domestic electricity supply” is the supply of electricity to premises that are domestic premises for the purposes of the relevant standard conditions (as they have effect from time to time).
- (5) In subsection (4) “relevant standard conditions” are the conditions which are, by virtue of section 33(1) of the Utilities Act 2000, the standard conditions for the purposes of electricity supply licences.

Expressions relating to gas

- (6) A “licensed gas supplier” is a person who holds a gas supply licence.
- (7) A “gas supply licence” is a licence granted under section 7A(1) of the Gas Act 1986.
- (8) “Gas shipper” has the same meaning as in Part 1 of the Gas Act 1986 (see section 7A(11) of that Act).
- (9) “GB domestic gas supply” is the supply of gas to premises that are domestic premises for the purposes of the relevant standard conditions (as they have effect from time to time).
- (10) In subsection (9) “relevant standard conditions” are the conditions which are, by virtue of section 81(2) of the Utilities Act 2000, the standard conditions for the purposes of gas supply licences.

Other expressions

- (11) A reference to a charge for GB domestic electricity supply or GB domestic gas supply includes a reference to a charge that does not relate to electricity or gas supplied (such as a standing charge).