

# Energy Bill [HL]

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AMENDMENTS  
TO BE MOVED  
IN COMMITTEE OF THE WHOLE HOUSE

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**Clause 1**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 1, page 2, line 2, leave out “may” and insert “are or are likely to”

***Member's explanatory statement***

*This amendment requires there to be an actual impact or likelihood of an impact on the consumers whose interests are being protected, whilst retaining discretion for the Secretary of State and the economic regulator to exercise their judgement. This would enable Ofgem to better justify and evidence decisions enabling strategic anticipatory investment.*

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 1, page 2, line 7, at end insert –

- “(d) assist the delivery of greenhouse gas emissions targets as set out in the Climate Change Act 2008, including any carbon budgets set under that Act and climate targets specified in subsection 1(8) of this Act.”

***Member's explanatory statement***

*This amendment places an equivalent principal duty on the Gas and Electricity Markets Authority to assist in the delivery of the net zero objective, alongside protecting the interests of current and future transport and storage network users. This would enable Ofgem to better justify and evidence decisions enabling strategic anticipatory investment.*

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 1, page 3, line 10, leave out “geological storage” and insert “storage, either by geological storage or usage where the carbon dioxide is permanently chemically bound in a product so that it does not enter the atmosphere under normal use”

***Member's explanatory statement***

*The Bill refers to CCUS but does not appear to include Carbon Capture and Usage (CCU). This amendment seeks explicitly to include the use of carbon dioxide where this results in storage of carbon dioxide, meaning that the carbon dioxide will not be released back into the atmosphere. The drafting of the amendment reflects language in the recent revision of the EU Emissions Trading Scheme to incorporate CCU where it is stored in a manner intended to be permanent. This amendment also aligns with clause 63(8) where the Bill defines “storage” as “any storage with a view to the permanent containment of carbon dioxide”.*

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 1, page 3, line 13, leave out “geological storage (or injection for the purposes of geological storage)” and insert “storage”

***Member's explanatory statement***

*This amendment seeks to enable other forms of storage, including temporary storage that is required to support geological storage, and usage where the carbon dioxide is not intended to re-enter the atmosphere, to be part of transport and storage networks. This amendment aligns with clause 63(8) where the Bill defines “storage” as “any storage with a view to the permanent containment of carbon dioxide”. It is recommended that this definition of storage is used as a common definition for the Bill.*

**Clause 2**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 2, page 3, line 30, leave out “a licence” and insert “an economic licence issued pursuant to subsection (2) or a licence issued by another competent authority”

***Member's explanatory statement***

*This amendment ensures consistency with the existing regulatory regime, namely the Storage of Carbon Dioxide (Licensing etc.) Regulations 2010, which provides for the granting of geological storage licences by the Oil and Gas Authority (now the North Sea Transition Authority). This amendment would enable private operators to develop merchant models to transport and store carbon dioxide in the longer term. This will also enable cross-border transport and geological storage of carbon dioxide to develop in time, without having to rely on exemptions being granted to allow private networks to develop.*

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 2, page 3, line 32, leave out “geological”

***Member's explanatory statement***

*This amendment seeks to enable other forms of storage, including temporary storage that is required to support geological storage, and usage where the carbon dioxide is not intended to re-enter the*

*atmosphere, to be part of transport and storage networks. This amendment aligns with clause 63(8) where the Bill defines “storage” as “any storage with a view to the permanent containment of carbon dioxide”. It is recommended that this definition of storage is used as a common definition for the Bill.*

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 2, page 3, line 37, at end insert –

“(ab) transportation by ship or any other means necessary in each case to connect a carbon capture entity with the transport and storage network,”

***Member's explanatory statement***

*CO<sub>2</sub> transport by ship is almost certain to be a part of the Scottish Cluster and subsequent phases of other CCUS clusters. Including it on the face of the Bill, rather than leaving its inclusion to regulations, would send a positive signal to the investment community.*

**Clause 17**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 17, page 18, line 37, leave out from “arisen” to end of line 38 and insert “and the economic regulator proposes to revoke the licence, the date on which the economic regulator proposes to do so, and”

***Member's explanatory statement***

*This amendment clarifies that the economic regulator does not automatically revoke the licence in this situation but can exercise discretion to do so.*

**Clause 26**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 26, page 25, line 34, leave out “Environmental” and insert “Environment”

***Member's explanatory statement***

*This amendment is to correct a misspelling of SEPA's name.*

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 26, page 26, line 15, at end insert –

“(4A) If a licence holder represents to the economic regulator that particular information should not be disclosed under subsection (3), or further disclosed under subsection

(1) to all or any one of the persons within subsection (2), in each case because it is commercially sensitive, the economic regulator may determine that the information in question should be excepted from the duty to disclose information under the relevant subsection, having regard to the need to preserve the confidentiality of commercially sensitive information.”

***Member's explanatory statement***

*This amendment is to establish a framework for the licence holder to seek to protect its commercially sensitive information which the economic regulator may request or obtain while exercising its duties, so as to include opportunities for licence holders to raise concerns regarding the sharing of some information with others (and particularly the unspecified group under subsection (2)(m)).*

**Clause 27**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 27, page 27, line 12, at end insert –

- “(6) If a licence holder represents to the Secretary of State that particular information should not be disclosed under subsection (1) because it is commercially sensitive, the Secretary of State may determine that the information in question should be excepted from the duty to disclose information under that subsection, having regard to the need to preserve the confidentiality of commercially sensitive information.”

**Clause 29**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 29, page 28, line 12, at end insert –

- “(5) Except as provided by subsection (6), the disclosure of information under this section does not breach –
- (a) any obligation of confidence owed by the licence holder making the disclosure, or
  - (b) any other restriction on the disclosure of information (however imposed).
- (6) This section does not authorise or require a disclosure of information if the disclosure would contravene the data protection legislation (but in determining whether a disclosure would do so, a requirement imposed under subsection (1) is to be taken into account).
- (7) If a licence holder represents to the economic regulator that particular information should not be disclosed under subsection (1) because it is commercially sensitive, the economic regulator may determine that the information in question should be excepted from the duty to disclose information under that subsection, having

regard to the need to preserve the confidentiality of commercially sensitive information.”

***Member's explanatory statement***

*New subsection (5) mirrors subsection 27(4) and means that the licence holder will not be breach of any obligation or restriction on disclosure for complying with this section. In addition, this amendment provides for further rights to protect other commercially sensitive information which may be requested under this section. New subsection (7) establishes a framework for the licence holder to seek to protect its commercially sensitive information.*

**Clause 30**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 30, page 28, line 19, after “it” insert “reasonably”

***Member's explanatory statement***

*In the absence of criteria for determining urgency, impracticability or inappropriateness, this amendment seeks to ensure that the economic regulator will behave reasonably.*

**Clause 53**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 53, page 49, line 6, at end insert –

- “(3A) If a licence holder represents to a licensing authority that particular information should not be disclosed under subsection (1) because it is commercially sensitive, that licensing authority may determine that the information in question should be excepted from the duty to disclose information under that subsection, having regard to the need to preserve the confidentiality of commercially sensitive information.”

***Member's explanatory statement***

*New subsection (3A) establishes a framework for the licence holder to seek to protect its commercially sensitive information.*

**Clause 57**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 57, page 52, line 11, leave out from first “any” and insert “relevant function on any relevant person”

***Member's explanatory statement***

*This amendment is to ensure powers are appropriately delegated.*

**Clause 61**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 61, page 55, line 5, leave out from “of” to end of the line and insert ““low carbon hydrogen production”, including (without limitation) compliance with the Low Carbon Hydrogen Standard”

***Member's explanatory statement***

*Regulations must have regard to the Low Carbon Hydrogen Standard in setting objective criteria against which to assess the eligibility of low carbon hydrogen production.*

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 61, page 55, line 24, leave out subsection (8)

***Member's explanatory statement***

*Whether or not a producer is an eligible low carbon hydrogen producer should be determined solely by the revenue support regulations, which should reference, among other things, the Low Carbon Hydrogen Standard. If the producer meets the objective criteria to be set out in the regulations, it should not be open to the Secretary of State to determine that that producer will not contribute to a reduction in emissions.*

**Clause 62**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 62, page 56, line 6, leave out subsection (4)

***Member's explanatory statement***

*Whether or not a producer is an eligible low carbon hydrogen producer should be determined solely by the revenue support regulations, which should reference, among other things, the Low Carbon Hydrogen Standard. If the producer meets the objective criteria to be set out in the regulations, it should not be open to the Secretary of State to determine that that producer will not contribute to a reduction in emissions.*

**Clause 63**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 63, page 57, line 3, leave out “that has been produced by commercial or industrial activities” and insert “by use of engineering techniques”

***Member's explanatory statement***

*This amendment ensures that techniques such as direct air capture, which is widely referred to as an engineered greenhouse gas removal process, are included in revenue support contracts. Currently the wording only appears to cover industrial emissions, power generation and hydrogen production plus carbon capture, and not direct air capture, because the CO<sub>2</sub> in the air may have come from sources other than those specified.*

#### **Clause 70**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 70, page 61, line 35, after “that” insert “eligible”

#### ***Member's explanatory statement***

*This amendment clarifies that the low carbon hydrogen producer must be eligible to receive support, which other amendments would ensure means that they are compliant with the Low Carbon Hydrogen Standard.*

#### **Clause 83**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 83, page 74, line 6, at end insert –

“(c) the classification and protection of confidential or sensitive information.”

#### ***Member's explanatory statement***

*This amendment is to protect commercially sensitive information.*

#### **Clause 85**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 85, page 76, line 36, after “paid” insert “, or security, in a form acceptable to the Secretary of State, in respect of such expected cost has been deposited,”

#### ***Member's explanatory statement***

*This amendment reflects value for money considerations that may mean it should be open to the Secretary of State to accept the provision of security in respect of amounts to be contributed on account of decommissioning costs (which costs are likely to be incurred many years after establishment of the fund) rather than requiring such amounts to be paid in cash.*

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 85, page 77, line 2, at end insert “or security deposited (as applicable)”

***Member's explanatory statement***

*This amendment reflects value for money considerations that may mean it should be open to the Secretary of State to accept the provision of security in respect of amounts to be contributed on account of decommissioning costs (which costs are likely to be incurred many years after establishment of the fund) rather than requiring such amounts to be paid in cash.*

**Clause 91**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 91, page 85, line 7, leave out “appropriate” and insert “are affected or likely to be affected by, or have an interest in the decisions involved in the adoption of the statement.”

***Member's explanatory statement***

*This amendment is to ensure there is a requirement for stakeholder consultation on the CCUS strategy and policy statement.*

**Clause 97**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 97, page 89, line 21, after “transportation” insert “, by pipeline, ship or other means,”

***Member's explanatory statement***

*CO<sub>2</sub> transport by ship is almost certain to be a part of the Scottish Cluster and subsequent phases of other CCUS clusters. Including it on the face of the Bill, rather than leaving its inclusion to regulations, would send a positive signal to the investment community.*

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

Clause 97, page 90, line 18, leave out from first “production” and insert “shall have the meaning determined in accordance with section 61(3)”

***Member's explanatory statement***

*This amendment clarifies that clause 61(3) sets out how low carbon hydrogen production will be defined, which is by regulations. Other amendments to clause 61(3) would require objective criteria to be set out in those regulations, including that the producer should be compliant with the Low Carbon Hydrogen Standard.*



**Clause 114**

LORD FOSTER OF BATH

Clause 114, page 101, line 13, at end insert –

“(c) the Glasgow Climate Pact 2021.”

***Member's explanatory statement***

*This amendment would include the Glasgow Climate Pact, agreed at COP 26 in 2021, in the net zero objective under this section.*

**Before Clause 198**BARONESS HAYMAN  
LORD WHITTY  
BARONESS SHEEHAN

Before Clause 198, insert the following new Clause –

**“National Energy Demand Reduction Strategy**

- (1) The Secretary of State must, before the end of the period of 12 months beginning with the day on which this Act is passed, publish an Energy Demand Reduction Strategy, to include but not limited to the following –
  - (a) achieving a low-carbon heat target, of 100% of installations of relevant heating appliances being low-carbon by 1 January 2035;
  - (b) achieving an energy-efficiency target, of all UK homes and buildings attaining a minimum EPC C rating by 2028;
  - (c) interim targets relating to the targets in paragraphs (a) and (b), and the development of skills to achieve them, at not less than three-yearly intervals;
  - (d) a programme of public engagement and a single source of advice provided by the Government to raise awareness of and encourage energy demand reduction.
- (2) The Secretary of State must, in developing the Government’s strategy on reducing energy demand, consult the Climate Change Committee and its sub-committee on adaptation.”

***Member's explanatory statement***

*This is a new clause which requires the Secretary of State to publish a National Energy Demand Reduction Strategy to provide for delivery of low carbon heat and energy efficiency targets for all UK homes and buildings.*

**After Clause 237**

BARONESS BENNETT OF MANOR CASTLE  
LORD TEVERSON  
BARONESS YOUNG OF OLD SCONE  
BARONESS BOYCOTT

After Clause 237, insert the following new Clause—

**“Community Electricity Export Guarantee Scheme**

- (1) Within six months of the passing of this Act, the Secretary of State must by regulations require licensed energy suppliers with more than 150,000 customers (“eligible licensed suppliers”) to purchase electricity exports from sites including those operated by community groups that generate low carbon electricity with a capacity below 5MW.
- (2) Licensed energy suppliers with fewer than 150,000 customers may also purchase electricity exports from the sites defined above provided that they do so on the terms set out by the regulations.
- (3) The regulations must require that eligible licensed suppliers—
  - (a) offer a minimum export price set annually by the Gas and Electricity Markets Authority (“GEMA”),
  - (b) offer a minimum contract period of five years, and
  - (c) allow the exporting site to end the contract after no more than one year.
- (4) Within six months of the passing of this Act, GEMA must—
  - (a) set an annual minimum export price that has regard to current wholesale energy prices and inflation in energy prices and the wider economy,
  - (b) introduce a registration system for exporting sites wanting to access these export purchases,
  - (c) define specifications for the smart export meters required by such sites,
  - (d) define “low carbon energy” in such a way that it shall include renewable generation technology and may include other technology with extremely low carbon dioxide emissions,
  - (e) define requirements for an exporting site of less than 5MW to be registered as a Community Energy site and maintain a register of such sites.
- (5) To access the export purchase agreements defined in this section exporters must—
  - (a) register their site with GEMA,
  - (b) install a smart export meter that meets specifications defined by GEMA, and
  - (c) notify GEMA if their ownership structure meets the definition of a Community Energy site.
- (6) All licensed suppliers providing such purchase agreements must report annually to GEMA—

- (a) the number and capacity of Community Energy sites that have been offered contracts to purchase electricity and the number of these that agreed those contracts,
  - (b) the total amount of electricity purchased under these agreements, and
  - (c) the price paid for that electricity.
- (7) OFGEM shall make and publish a report annually on the operation of the export purchase agreements, setting out –
- (a) the number of Community Energy sites contracted with licensed energy suppliers under this section and the total amount of electricity purchased,
  - (b) the licensed suppliers contracting with Community Energy sites and the amount of electricity each has purchased,
  - (c) an assessment of how the mechanism is performing and the contribution it is making to delivering secure and low carbon electricity supplies, and
  - (d) recommendations on how the mechanism could be improved.”

***Member's explanatory statement***

*This and related amendments aim to provide a framework to support the growth of community energy schemes and provide annual reporting on the success of the framework in increasing the number of such schemes.*

BARONESS BENNETT OF MANOR CASTLE  
LORD TEVERSON  
BARONESS YOUNG OF OLD SCONE  
BARONESS BOYCOTT

After Clause 237, insert the following new Clause –

**“Community Electricity Supplier Services Scheme**

- (1) Within six months of the passing of this Act, the Secretary of State must by regulations require licensed energy suppliers with more than 150,000 customers (“eligible licensed suppliers”) to offer a Community Electricity Service agreement to any registered Community Energy site under section (*Community Electricity Export Guarantee Scheme*) for the purposes of allowing that site to sell electricity to local consumers.
- (2) The Community Electricity Service agreement will require licensed suppliers to make a community energy tariff available to consumers local to the exporting site that has regard to the export price paid that would be paid to that site under section (*Community Electricity Export Guarantee Scheme*).
- (3) The eligible licensed supplier may limit the total number of consumers the community energy tariff is available to such that the total annual energy sold under the tariff is broadly equivalent to the total annual energy generated by the site.
- (4) The eligible licensed supplier will be the registrant for the meters of any local consumer purchasing energy under the community tariff.

- (5) The eligible licensed suppliers may charge a reasonable fee for the provision of services under this section provided that it has regard to distribution, licensing and regulatory costs and any guidance provided by GEMA.
- (6) The eligible licensed supplier shall return any money raised through the sale of energy under a tariff set up under this section to the Community Energy site, save for the fee allowed under subsection (5).
- (7) Eligible licensed suppliers must report annually to GEMA on—
  - (a) the number and capacity of community energy groups offered Community Electricity Service agreements and the number who have contracted to use them,
  - (b) the total amount of electricity purchased under these agreements, and
  - (c) the tariffs for each agreement.
- (8) GEMA must—
  - (a) produce guidance on the level of community energy tariffs and on the reasonable charges that eligible suppliers may charge for Community Electricity Service Agreements,
  - (b) make and publish a report annually on the operation of the export purchase agreements, setting out—
    - (i) the number of community projects contracted with licensed energy suppliers under this section and the total amount of electricity purchased,
    - (ii) the licensed suppliers contracting with community groups and the amount of electricity each has purchased,
    - (iii) an assessment of how the mechanism is performing and the contribution it is making to delivering secure and low carbon electricity supplies, and
    - (iv) recommendations for how Community Electricity Service agreements could be improved.”

***Member's explanatory statement***

*This and related amendments would guarantee small energy generators a stable tariff for selling their energy based on current market rates and establish a local energy supply mechanism to enable community renewable generation schemes to sell directly to local people, along the lines of the Local Electricity Bill tabled in the last session of Parliament.*

BARONESS BENNETT OF MANOR CASTLE

After Clause 237, insert the following new Clause—

**“Prohibition of the development of new oil and gas fields and issuing exploration licences**

Within six months of the day on which this Act is passed, the Secretary of State must by regulations made by statutory instrument prohibit—

- (a) the development of new oil and gas fields, and
- (b) the release of new oil and gas exploration licences.”



# Energy Bill [HL]

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*31 August 2022*

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