

Energy Bill [HL]

MARSHALLED
LIST OF AMENDMENTS
TO BE MOVED
IN COMMITTEE OF THE WHOLE HOUSE

The amendments have been marshalled in accordance with the Instruction of 19th July 2022, as follows –

Clauses 1 to 16	Schedule 11
Schedule 1	Clause 153
Clauses 17 to 21	Schedule 12
Schedule 2	Clause 154
Clauses 22 to 52	Schedule 13
Schedule 3	Clauses 155 to 160
Clauses 53 and 54	Schedule 14
Schedule 4	Clauses 161 to 168
Clauses 55 to 92	Schedule 15
Schedule 5	Clauses 169 to 197
Clauses 93 to 125	Schedule 16
Schedule 6	Clauses 198 to 219
Clause 126	Schedule 17
Schedule 7	Clauses 220 to 228
Clauses 127 to 130	Schedule 18
Schedule 8	Clauses 229 to 233
Clauses 131 to 151	Schedule 19
Schedules 9 and 10	Clauses 234 to 243
Clause 152	Title

[Amendments marked ★ are new or have been altered]

**Amendment
No.**

Before Clause 1

BARONESS BLAKE OF LEEDS
LORD LENNIE

1 Before Clause 1, insert the following new Clause –

“PART A1

PURPOSE AND STRATEGY AND POLICY STATEMENT

Purpose

- (1) The principal purpose of this Act is –
 - (a) to increase the resilience and reliability of energy systems across the United Kingdom,
 - (b) to support the delivery of the United Kingdom’s climate change commitments, and
 - (c) to reform the United Kingdom’s energy system while minimising costs to consumers and protecting them from unfair pricing.
- (2) In performing functions under this Act, the relevant persons and bodies must have regard to –
 - (a) the principal purpose set out in subsection (1),
 - (b) the Secretary of State’s duties under sections 1 and 4(1)(b) of the Climate Change Act 2008 (carbon targets and budgets) and international obligations contained within Article 2 of the Paris Agreement under the United Nations Framework Convention on Climate Change,
 - (c) the desirability of reducing costs to consumers and alleviating fuel poverty, and
 - (d) the desirability of securing a diverse and viable long-term energy supply.
- (3) In this section “the relevant persons and bodies” means –
 - (a) the Secretary of State;
 - (b) any public authority.”

Member's explanatory statement

This amendment, along with other new clauses before Clause 1, add a new Part setting out the purpose of the Bill and a requirement for a Strategy and Policy Statement in line with this Act.

BARONESS BLAKE OF LEEDS
LORD LENNIE

2 Before Clause 1, insert the following new Clause –

“Strategy and policy statement

- (1) The Secretary of State must, within 12 months of this Act being passed, designate a statement as the strategy and policy statement for the purposes of this Act.
- (2) The strategy and policy statement is a statement prepared by the Secretary of State that sets out –
 - (a) the strategic priorities, and other main considerations, of Her Majesty’s Government in formulating its energy policy for Great Britain (“strategic priorities”),
 - (b) the particular outcomes to be achieved as a result of the implementation of that policy (“policy outcomes”), and
 - (c) the roles and responsibilities of persons (whether the Secretary of State, the GEMA or other persons) who are involved in implementing that policy or who have other functions that are affected by it.
- (3) The strategy and policy statement must have regard to the purposes listed in section (*Purpose*)(2).
- (4) The Secretary of State must publish the strategy and policy statement in such manner as the Secretary of State considers appropriate.
- (5) For the purposes of this section, energy policy “for Great Britain” includes such policy for –
 - (a) the territorial sea adjacent to Great Britain, and
 - (b) areas designated under section 1(7) of the Continental Shelf Act 1964.
- (6) The GEMA must have regard to the strategic priorities set out in the strategy and policy statement when carrying out regulatory functions.
- (7) The Secretary of State and the GEMA must carry out their respective regulatory functions in the manner which the Secretary of State or the GEMA (as the case may be) considers is best calculated to further the delivery of the policy outcomes.
- (8) The GEMA must give notice to the Secretary of State if at any time the GEMA concludes that a policy outcome contained in the strategy and policy statement is not realistically achievable.
- (9) A notice under subsection (8) must include –
 - (a) the grounds on which the conclusion was reached;
 - (b) what (if anything) the GEMA is doing, or proposes to do, for the purpose of furthering the delivery of the outcome so far as reasonably practicable.”

BARONESS BLAKE OF LEEDS
LORD LENNIE

3 Before Clause 1, insert the following new Clause –

“Strategy and policy statement review

- (1) The Secretary of State must review the strategy and policy statement if a period of 5 years has elapsed since the relevant time.
- (2) The “relevant time”, in relation to the strategy and policy statement, means –
 - (a) the time when the statement was first designated under this Part, or
 - (b) if later, the time when a review of the statement under this section last took place.
- (3) A review under subsection (1) must take place as soon as reasonably practicable after the end of the 5-year period.
- (4) The Secretary of State must review the strategy and policy statement at any other time if –
 - (a) a parliamentary general election has taken place since the relevant time,
 - (b) the GEMA has given notice to the Secretary of State under subsection (8) of section (*Strategy and policy statement*) since the relevant time,
 - (c) a significant change in the energy policy of Her Majesty’s Government has occurred since the relevant time, or
 - (d) the parliamentary approval requirement in relation to an amended statement was not met on the last review (see subsection (12)).
- (5) The Secretary of State may determine that a significant change in the Government’s energy policy has occurred for the purposes of subsection (4)(c) only if –
 - (a) the change was not anticipated at the relevant time, and
 - (b) if the change had been so anticipated, it appears to the Secretary of State likely that the statement would have been different in a material way.
- (6) On a review under this section the Secretary of State may –
 - (a) amend the statement (including by replacing the whole or part of the statement with new content),
 - (b) leave the statement as it is, or
 - (c) withdraw the statement’s designation as the strategy and policy statement.
- (7) The amendment of a statement under subsection (6)(a) has effect only if the Secretary of State designates the amended statement as the strategy and policy statement under section (*Strategy and policy statement*).
- (8) For the purposes of this section, corrections of clerical or typographical errors are not to be treated as amendments made to the statement.
- (9) The designation of a statement as the strategy and policy statement ceases to have effect upon a subsequent designation of an amended statement as the strategy and policy statement in accordance with subsection (7).

- (10) The Secretary of State must consult the following persons before proceeding under subsection (6)(b) or (c) –
 - (a) the GEMA,
 - (b) the Scottish Ministers,
 - (c) the Welsh Ministers, and
 - (d) such other persons as the Secretary of State considers appropriate.
- (11) For the purposes of subsection (2)(b), a review of a statement takes place –
 - (a) in the case of a decision on the review to amend the statement under subsection (6)(a) –
 - (i) at the time when the amended statement is designated as the strategy and policy statement under section (*Strategy and policy statement*), or
 - (ii) if the amended statement is not so designated, at the time when the amended statement was laid before Parliament for approval under subsection (7) of section (*Strategy and policy statement procedural requirements*);
 - (b) in the case of a decision on the review to leave the statement as it is under subsection (6)(b), at the time when that decision is taken.
- (12) For the purposes of subsection (4)(d), the parliamentary approval requirement in relation to an amended statement was not met on the last review if –
 - (a) on the last review of the strategy and policy statement held under this section, an amended statement was laid before Parliament for approval under subsection (7) of section (*Strategy and policy statement procedural requirements*), but
 - (b) the amended statement was not designated because such approval was not given.”

BARONESS BLAKE OF LEEDS
LORD LENNIE

4 Before Clause 1, insert the following new Clause –

“Strategy and policy statement procedural requirements

- (1) This section sets out the requirements that must be satisfied in relation to a statement before the Secretary of State may designate it as the strategy and policy statement.
- (2) In this section references to a statement include references to a statement as amended following a review under subsection (6)(a) of section (*Strategy and policy statement review*).
- (3) The Secretary of State must first –
 - (a) prepare a draft of the statement, and
 - (b) issue the draft to the required consultees for the purpose of consulting them about it.
- (4) The “required consultees” are –

- (a) the GEMA,
 - (b) the Scottish Ministers, and
 - (c) the Welsh Ministers.
- (5) The Secretary of State must then –
- (a) make such revisions to the draft as the Secretary of State considers appropriate as a result of responses to the consultation under subsection (3)(b), and
 - (b) issue the revised draft for the purposes of further consultation about it to the required consultees and to such other persons as the Secretary of State considers appropriate.
- (6) The Secretary of State must then –
- (a) make any further revisions to the draft that the Secretary of State considers appropriate as a result of responses to the consultation under subsection (5)(b), and
 - (b) prepare a report summarising those responses and the changes (if any) that the Secretary of State has made to the draft as a result.
- (7) The Secretary of State must lay before Parliament –
- (a) the statement as revised under subsection (6)(a), and
 - (b) the report prepared under subsection (6)(b).
- (8) The statement as laid under subsection (7)(a) must be approved by a resolution of each House of Parliament before the Secretary of State may designate it as the strategy and policy statement.
- (9) The requirement under subsection (3)(a) to prepare a draft of a statement may be satisfied by preparation carried out before, as well as preparation carried out after, the passing of this Act.”

LORD MOYLAN
LORD WEST OF SPITHEAD
LORD FROST

5 Before Clause 1, insert the following new Clause –

“Energy strategy statements

- (1) In performing functions under this Act, the Secretary of State and any public authority must have regard to –
- (a) the Government’s ‘Ten point plan for a green industrial revolution’, insofar as it relates to energy,
 - (b) the Government’s ‘Net zero strategy’, insofar as it relates to energy,
 - (c) the Government’s ‘British energy security strategy’, and
 - (d) the Government’s strategy for managing intermittency of electricity supply, and any successor documents replacing them.
- (2) Within six months of the day on which this Act is passed, the Secretary of State must publish a strategy for supplying electric power to make up for occasional,

diurnal or seasonal shortfalls in electricity generated by renewable sources (referred to in subsection (1) as the “Government’s strategy for managing intermittency of electricity supply”).

- (3) The strategy under subsection (2) must specify the technologies to be used and the approximate share they will contribute to managing intermittency, the costs of installing and operating each of them, the locations or types of location in which they might be installed, and any consequential environmental disbenefits of the technologies and how they are to be mitigated.
- (4) Before any section of this Act other than the sections listed in section 242(2) (commencement) comes into force, the Secretary of State must commission and publish an independent assessment of the cost, implementation date, risk profile and likely contribution to reducing carbon-dependency of each of the ten points contained in the ‘Ten point plan for a green industrial revolution’, insofar as they relate to energy.
- (5) Annually thereafter the Secretary of State must commission and publish an updated independent assessment of the information specified in subsection (4) and of any points that may have been added to or substituted for the original ten points insofar as they relate to energy.
- (6) In subsections (4) and (5), “independent” means commissioned from experts who are not otherwise funded by the Government (except indirectly, for example through a university).
- (7) Within twelve months of the day on which this Act is passed, the Office for Budget Responsibility must produce an assessment of the monetary cost each year for –
 - (a) the public and private energy sectors, and
 - (b) household energy bills and energy-related capital expenditure,of achieving net zero by 2050, together with an assessment of the annual costs of instead achieving net zero by 2065 and 2080.
- (8) The Office for Budget Responsibility must use current costs as the basis for its assessment under subsection (7).
- (9) Within two years of the day on which this Act is passed and annually thereafter, the Office for Budget Responsibility must produce an assessment of the actual costs incurred by public and private energy sectors in the previous five years in moving towards the net zero target, together with an assessment of the costs (using current costs) to be incurred by the public and private energy sectors in the ensuing five and ten years in order to achieve net zero by the statutory target date.
- (10) In this section, “net zero” means the target under section 1 of the Climate Change Act 2008.
- (11) Within five years of the day on which this Act is passed, and every five years thereafter, the Secretary of State must review the strategy statements listed in subsection (1) in the light of the information provided under subsections (4), (5), (7) and (9).”

BARONESS MCINTOSH OF PICKERING

6★ Before Clause 1, insert the following new Clause –

“Principal objective: energy security

- (1) The principal objective of this Act is to secure energy security in the United Kingdom.
- (2) In performing functions under this Act, relevant persons and bodies must have regard to this objective as a priority.”

LORD RAVENSDALE
BARONESS WORTHINGTON

7★ Before Clause 1, insert the following new Clause –

“Principal purpose

- (1) The principal purpose of this Act is –
 - (a) to increase the resilience and reliability of energy systems across the United Kingdom,
 - (b) to support the delivery of the United Kingdom’s climate change commitments, and
 - (c) to reform the United Kingdom’s energy system while minimising costs to consumers and protecting them from unfair pricing.
- (2) The Secretary of State must report to Parliament annually on –
 - (a) how the resilience and reliability of energy systems across the United Kingdom are being increased;
 - (b) how the United Kingdom’s climate change commitments in relation to energy are being delivered, including updates on –
 - (i) the decarbonisation of existing electricity usage, and
 - (ii) the electrification of processes in the United Kingdom so that they are powered by electricity rather than other primary energy sources;
 - (c) how costs to consumers are being minimised and how unfair pricing is being avoided.
- (3) In performing functions under this Act, the Secretary of State and any public authority must have regard to the principal purpose set out in subsection (1).”

Clause 1

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

8 Clause 1, page 2, line 2, leave out second “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

9 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.

LORD TEVERSON

10★ Clause 1, page 2, line 20, at end insert –

“(d) avoid cross-subsidy from users of other networks.”

Member's explanatory statement

This amendment adds a new requirement under subsection (3) for the Secretary of State and/or economic regulator to avoid cross-subsidy from users of other networks.

LORD LENNIE
BARONESS BLAKE OF LEEDS

11★ Clause 1, page 2, line 23, leave out “must have regard to” and insert “is bound by”

Member's explanatory statement

This amendment obliges the Secretary of State and the economic regulator to be bound by, not just have regard to, listed regulatory principles and the need to contribute to the achievement of sustainable development.

LORD LENNIE
BARONESS BLAKE OF LEEDS

12 Clause 1, page 2, line 31, leave out “must have regard to” and insert “is bound by”

Member's explanatory statement

This amendment obliges the Secretary of State to be bound by, not just have regard to, their duties as Minister.

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 13 Clause 1, page 2, line 35, leave out “must have regard to” and insert “is bound by”

Member's explanatory statement

This amendment obliges the economic regulator to be bound by, not just have regard to, the need to assist the Secretary of State's compliance with its duties and targets

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 14 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.

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 15 Clause 1, page 3, line 11, at end insert “or who seeks to be a party to arrangements for the use of sequestered and transported carbon dioxide;”

Member's explanatory statement

The Bill refers to CCUS but does not appear to include carbon capture use. This amendment seeks explicitly to include the use of carbon dioxide.

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 16 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 the definition in clause 63(8).

Clause 2

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 17 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

- 18 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 the definition in clause 63(8).

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 19 Clause 2, page 3, line 35, at end insert –
“(c) the use of sequestered and transported carbon dioxide.”

Member's explanatory statement

This is consequential to the amendment at line 11.

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 20 Clause 2, page 3, line 37, at end insert –
“(aa) 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

CO2 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 7

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 21 Clause 7, page 8, line 38, at end insert “, or
(c) both these activities.”

Member's explanatory statement

This amendment seeks to make clear that a licence can be granted for transportation or storage (or both if wanted), but a licence need not be granted for everything.

Clause 8

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 22 Clause 8, page 9, line 7, at end insert “and that licences may be granted for one or both activities”

Member's explanatory statement

This is consequential to the amendment at page 8, line 38.

Clause 9

LORD LENNIE
BARONESS BLAKE OF LEEDS
BARONESS BENNETT OF MANOR CASTLE

- 23 Clause 9, page 10, line 6, after “State” insert “must ensure that licences are only granted to fit and proper persons, and”

Member's explanatory statement

This phrase (“fit and proper”) was used in the National Security and Investment Bill. The aim of this amendment is to put the responsibility on the Secretary of State to personally deem the individual as “fit and proper”.

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 24 Clause 9, page 10, line 9, leave out “negative” and insert “affirmative”

Clause 11

LORD CALLANAN

- 25 Clause 11, page 12, line 39, leave out “and legacy”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 72, line 25.

Clause 17BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 26 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 18LORD LENNIE
BARONESS BLAKE OF LEEDS

- 27 Clause 18, page 19, line 33, at end insert –

“(c) may only be transferred to a fit and proper person as decided by the Secretary of State.”

Member's explanatory statement

This phrase (“fit and proper”) was used in the National Security and Investment Bill. The aim of this amendment is to put the responsibility on the Secretary of State to personally deem the individual as “fit and proper”.

Clause 26BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 28 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

29 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

30 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

31 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 in 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

- 32 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 32

LORD CALLANAN

- 33 Clause 32, page 30, line 25, leave out from beginning to “provision” and insert “Schedule (Enforcement of obligations of licence holders) makes”

Member's explanatory statement

This amendment, the amendment in the name of Lord Callanan at page 30, line 28, and New Schedule (Enforcement of obligations of licence holders) provide for the enforcement of obligations of licence holders and accordingly omit the powers in clause 32 to make corresponding provision by regulations.

LORD CALLANAN

- 34 Clause 32, page 30, line 28, leave out subsections (2) and (3)

Member's explanatory statement

See the explanatory statement for the amendment in the name of Lord Callanan at page 30, line 25.

Clause 43

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 35 Clause 43, page 39, line 30, at end insert “provided that the transferee is a fit and proper person as determined by the Secretary of State.”

Member's explanatory statement

This phrase (“fit and proper”) was used in the National Security and Investment Bill. The aim of this amendment is to put the responsibility on the Secretary of State to personally deem the individual as “fit and proper”.

Before Schedule 3

LORD CALLANAN

- 36 Before Schedule 3, insert the following new Schedule –

“SCHEDULE

Section 32

ENFORCEMENT OF OBLIGATIONS OF LICENCE HOLDERS

Orders for securing compliance with certain provisions

- 1 (1) Where the economic regulator is satisfied that a licence holder is contravening, or is likely to contravene, any relevant condition or requirement, the economic regulator must make an order (a “final order”) containing such provision as appears to the economic regulator to be necessary for the purpose of securing compliance with that condition or requirement (but this sub-paragraph does not apply if the economic regulator is required to by sub-paragraph (2) to make a provisional order in respect of the contravention or likely contravention).
- (2) Where it appears to the economic regulator –
 - (a) that a licence holder is contravening, or is likely to contravene, any relevant condition or requirement, and
 - (b) that it is appropriate to make an order under this sub-paragraph, the economic regulator must (instead of taking steps towards the making of final order) make an order (a “provisional order”) containing such provision as appears to the economic regulator to be necessary for the purpose of securing compliance with that condition or requirement.
- (3) In determining for the purposes of sub-paragraph (2)(b) whether it is appropriate to make a provisional order, the economic regulator must have regard, in particular, to the extent to which any person is likely to sustain loss or damage in consequence of anything that is likely to be done (or omitted to be done) in contravention of the relevant condition or requirement before a final order may be made.
- (4) The economic regulator must confirm a provisional order, with or without modifications, if –

- (a) the economic regulator is satisfied that the licence holder is contravening, or is likely to contravene, any relevant condition or requirement, and
 - (b) the provision made by the order (with any modifications) is necessary for the purpose of securing compliance with that condition or requirement.
- (5) If a provisional order is not previously confirmed under sub-paragraph (4), it is to cease to have effect at the end of such period (not exceeding three months) as is determined by or under the order.
- (6) Sub-paragraphs (1) to (4) are subject to sub-paragraphs (7) to (9) and paragraph 2.
- (7) The economic regulator –
 - (a) must, before making a final order or making or confirming a provisional order, consider whether it would be more appropriate to proceed under the Competition Act 1998 (see section 37);
 - (b) must not make a final order, or make or confirm a provisional order, if the economic regulator considers that it would be more appropriate to proceed under that Act.
- (8) The economic regulator may not make a final order or make or confirm a provisional order if the economic regulator is satisfied that the duties imposed on the economic regulator by section 1 preclude the making or, as the case may be, the confirmation of the order.
- (9) The economic regulator is not required to make a final order or make or confirm a provisional order if it is satisfied –
 - (a) that the licence holder has agreed to take and is taking all such steps as appear to the economic regulator to be for the time being appropriate for the purpose of securing or facilitating compliance with the condition or requirement in question, or
 - (b) that the contraventions were, or the apprehended contraventions are, of a trivial nature.
- (10) Where the economic regulator decides that it would be more appropriate to proceed under the Competition Act 1998 or is satisfied as mentioned in sub-paragraphs (8) and (9), the economic regulator must –
 - (a) give notice to the licence holder that the economic regulator has so decided or is so satisfied, and
 - (b) publish a copy of the notice in such manner as the economic regulator considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by them.
- (11) A final or provisional order –
 - (a) must require the licence holder (according to the circumstances of the case) to do, or not to do, such things as are specified in the order or are of a description so specified,
 - (b) must take effect at such time as is determined by or under the order, which must be the earliest practicable time, and
 - (c) may be revoked at any time by the economic regulator.

(12) In this Schedule –

“final order” means an order under sub-paragraph (1);

“provisional order” means an order under sub-paragraph (2);

“relevant condition”, in relation to a licence holder, means any condition of any licence (as defined in section 7) held by that person;

“relevant requirement”, in relation to a licence holder, means any requirement imposed on the licence holder by or under this Part.

Procedural requirements

- 2 (1) Before making a final order or confirming a provisional order, the economic regulator must give notice –
- (a) stating that the economic regulator proposes to make or confirm the order and setting out its effect,
 - (b) stating –
 - (i) the relevant condition or requirement,
 - (ii) the acts or omissions which, in the economic regulator’s opinion, constitute or would constitute contraventions of it, and
 - (iii) the other facts which, in the economic regulator’s opinion, justify the making or confirmation of the order, and
 - (c) specifying the time (which must not be less than 21 days from the date of publication of the notice) within which representations or objections to the proposed order or confirmation of the order may be made, and must consider any representations or objections which are duly made and not withdrawn.
- (2) A notice under sub-paragraph (1) is given –
- (a) by publishing the notice in such manner as the economic regulator considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by them, and
 - (b) by sending a copy of the notice, and a copy of the proposed order or of the order proposed to be confirmed, to the licence holder.
- (3) The economic regulator must not make a final order with modifications, or confirm a provisional order with modifications, except with the consent of the licence holder or after complying with the requirements of sub-paragraph (4).
- (4) The requirements are that the economic regulator must –
- (a) give to the licence holder such notice as the economic regulator considers necessary of the economic regulator’s proposal to make or confirm the order with modifications,
 - (b) specify the time (which must not be less than 21 days from the date of the service of the notice) within which representations or objections to the proposed modifications may be made, and
 - (c) consider any representations or objections which are duly made and not withdrawn.

- (5) Where the economic regulator decides to proceed under the Competition Act 1998 in a case falling within paragraph 1(7)(b), the economic regulator must –
 - (a) inform the licence holder concerned of that decision, and
 - (b) publish the notice in a manner that the economic regulator thinks appropriate for bringing the notice to the attention of persons likely to be affected by the decision.
- (6) Before revoking a final order or a provisional order which has been confirmed, the economic regulator must give notice –
 - (a) stating that the economic regulator proposes to revoke the order and setting out its effect, and
 - (b) specifying the time (which must not be less than 28 days) from the date of publication of the notice within which representations or objections to the proposed revocation may be made,and must consider any representations or objections which are duly made and not withdrawn.
- (7) A notice under sub-paragraph (6) is given –
 - (a) by publishing the notice in such manner as the economic regulator considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by them, and
 - (b) by sending a copy of the notice to the licence holder.
- (8) As soon as practicable after a final order is made or a provisional order is made or confirmed, the economic regulator must –
 - (a) serve a copy of the order on the licence holder, and
 - (b) publish such a copy in such manner as the economic regulator considers appropriate for the purpose of bringing the order to the attention of persons likely to be affected by it.

Validity and effect of orders

- 3 (1) If the licence holder is aggrieved by a final or provisional order and wishes to question its validity on the ground that the making or confirmation of it was not within the powers of paragraph 1, or that any of the requirements of paragraph 2 have not been complied with in relation to it, the licence holder may within 42 days from the date of service on the licence holder of a copy of the order make an application to the court under this paragraph.
- (2) On any such application the court, if satisfied that the making or confirmation of the order was not within those powers or that the interests of the licence holder have been substantially prejudiced by a failure to comply with those requirements, may quash the order or any provision of the order.
- (3) Except as provided by this paragraph, the validity of a final or provisional order may not be questioned by any legal proceedings whatever.
- (4) The obligation to comply with a final or provisional order is a duty owed to any person who may be affected by a contravention of it.

- (5) Where a duty is owed by virtue of sub-paragraph (4) to any person any breach of the duty which causes that person to sustain loss or damage is to be actionable at the suit or instance of that person.
- (6) In any proceedings brought against any person in pursuance of sub-paragraph (5), it is a defence for the person to prove that they took all reasonable steps and exercised all due diligence to avoid contravening the order.
- (7) Without prejudice to any right which any person may have by virtue of sub-paragraph (5) to bring civil proceedings in respect of any contravention or apprehended contravention of a final or provisional order, compliance with any such order is to be enforceable by civil proceedings by the economic regulator for an injunction or interdict or for any other appropriate relief.
- (8) In this paragraph “the court” means –
 - (a) in relation to England and Wales and Northern Ireland, the High Court;
 - (b) in relation to Scotland, the Court of Session.

Penalties

- 4 (1) Where the economic regulator is satisfied that a licence holder has contravened or is contravening any relevant condition or requirement, the economic regulator may, subject to paragraph 6, impose on the licence holder a penalty of such amount as is reasonable in all the circumstances of the case.
- (2) Before imposing a penalty on a licence holder under sub-paragraph (1), the economic regulator must consider whether it would be more appropriate to proceed under the Competition Act 1998.
- (3) The economic regulator must not impose a penalty on a licence holder under sub-paragraph (1) if it considers that it would be more appropriate to proceed under the Competition Act 1998.
- (4) Before imposing a penalty on a licence holder under sub-paragraph (1) the economic regulator must give notice –
 - (a) stating that it proposes to impose a penalty and the amount of the penalty proposed to be imposed,
 - (b) setting out the relevant condition or requirement,
 - (c) specifying the acts or omissions which, in the opinion of the economic regulator, constitute the contravention in question and the other facts which, in the opinion of the economic regulator, justify the imposition of a penalty and the amount of the penalty proposed, and
 - (d) specifying the period (which must not be less than 21 days from the date of publication of the notice) within which representations or objections with respect to the proposed penalty may be made,and must consider any representations or objections which are duly made and not withdrawn.
- (5) Before varying any proposal stated in a notice under sub-paragraph (4)(a) the economic regulator must give notice –
 - (a) setting out the proposed variation and the reasons for it, and

- (b) specifying the period (which must be at least 21 days from the date of publication of the notice) within which representations or objections with respect to the proposed variation may be made, and must consider any representations or objections which are duly made and not withdrawn.
- (6) As soon as practicable after imposing a penalty, the economic regulator must give notice –
- (a) stating that it has imposed a penalty on the licence holder and its amount,
 - (b) setting out the relevant condition or requirement in question,
 - (c) specifying the acts or omissions which, in the opinion of the economic regulator, constitute the contravention in question and the other facts which, in the opinion of the economic regulator, justify the imposition of the penalty and its amount, and
 - (d) specifying a date, no earlier than the end of the period of 42 days from the date of service of the notice on the licence holder, by which the penalty is required to be paid.
- (7) The licence holder may, within 21 days of the date of service on the licence holder of a notice under sub-paragraph (6), make an application to the economic regulator for it to specify different dates by which different portions of the penalty are to be paid.
- (8) Any notice required to be given under this paragraph must be given –
- (a) by publishing the notice in such manner as the economic regulator considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by them, and
 - (b) by serving a copy of the notice on the licence holder.
- (9) This paragraph is subject to paragraph 10 (maximum amount of penalty that may be imposed).
- (10) Any sums received by the economic regulator by way of penalty under this paragraph must be paid into the Consolidated Fund.

Statement of policy with respect to penalties

- 5 (1) The economic regulator must prepare and publish a statement of policy with respect to the imposition of penalties and the determination of their amount.
- (2) In deciding whether to impose a penalty, and in determining the amount of any penalty, in respect of a contravention the economic regulator must have regard to its statement of policy most recently published at the time when the contravention occurred.
- (3) The economic regulator may revise its statement of policy and where it does so must publish the revised statement.
- (4) Publication under this paragraph must be in such manner as the economic regulator considers appropriate for the purpose of bringing the matters

contained in the statement of policy to the attention of persons likely to be affected by them.

- (5) The economic regulator must undertake such consultation as it considers appropriate when preparing or revising its statement of policy.

Time limits on the imposition of penalties

- 6 (1) Where no final or provisional order has been made in relation to a contravention, the economic regulator may not impose a penalty in respect of the contravention later than the end of the period of five years from the time of the contravention, unless before the end of that period –
- (a) the notice under paragraph 4(4) relating to the penalty is served on the licence holder under paragraph 4(8), or
 - (b) a notice under section 29(2)(b) is served on the licence holder which specifies that the notice is served in connection with a concern on the part of the economic regulator that the licence holder may be contravening, or may have contravened, a relevant condition or requirement.
- (2) Where a final or provisional order has been made in relation to a contravention, the economic regulator may not impose a penalty in respect of the contravention unless the notice relating to the penalty under paragraph 4(4) was served on the licence holder under paragraph 4(8) –
- (a) within three months from the confirmation of the provisional order or the making of the final order, or
 - (b) where the provisional order is not confirmed, within six months from the making of the provisional order.

Interest and payment of instalments

- 7 (1) If the whole or any part of a penalty is not paid by the date by which it is required to be paid, the unpaid balance from time to time is to carry interest at the rate for the time being specified in section 17 of the Judgments Act 1838.
- (2) If an application is made under paragraph 4(7) in relation to a penalty, the penalty is not required to be paid until the application has been determined.
- (3) If the economic regulator grants an application under that sub-paragraph in relation to a penalty but any portion of the penalty is not paid by the date specified in relation to it by the economic regulator under that sub-paragraph, the economic regulator may where it considers it appropriate require so much of the penalty as has not already been paid to be paid immediately.

Appeals against penalties

- 8 (1) If the licence holder on whom a penalty is imposed is aggrieved by –
- (a) the imposition of the penalty,
 - (b) the amount of the penalty, or
 - (c) the date by which the penalty is required to be paid, or the different dates by which different portions of the penalty are required to be paid,

the licence holder may make an application to the court under this paragraph.

- (2) An application under sub-paragraph (1) must be made –
 - (a) within 42 days from the date of service on the licence holder of a notice under paragraph 4(6), or
 - (b) where the application relates to a decision of the economic regulator on an application by the licence holder under paragraph 4(7), within 42 days from the date the licence holder is notified of the decision.
- (3) On any such application, where the court considers it appropriate to do so in all the circumstances of the case and is satisfied of one or more of the grounds falling within sub-paragraph (4), the court –
 - (a) may quash the penalty,
 - (b) may substitute a penalty of such lesser amount as the court considers appropriate in all the circumstances of the case, or
 - (c) in the case of an application under sub-paragraph (1)(c), may substitute for the date or dates imposed by the economic regulator an alternative date or dates.
- (4) The grounds falling within this sub-paragraph are –
 - (a) that the imposition of the penalty was not within the power of the economic regulator under paragraph 4,
 - (b) that any of the requirements of sub-paragraphs (4) to (6) or (8) of paragraph 4 have not been complied with in relation to the imposition of the penalty and the interests of the licence holder have been substantially prejudiced by the non-compliance, or
 - (c) that it was unreasonable of the economic regulator to require the penalty imposed, or any portion of it, to be paid by the date or dates by which it was required to be paid.
- (5) If an application is made under this paragraph in relation to a penalty, the penalty is not required to be paid until the application has been determined.
- (6) Where the court substitutes a penalty of a lesser amount it may require the payment of interest on the substituted penalty at such rate, and from such date, as it considers just and equitable.
- (7) Where the court specifies, as a date by which the penalty or a portion of the penalty is to be paid, a date before the determination of the application under this paragraph it may require the payment of interest on the penalty, or portion, from that date at such rate as it considers just and equitable.
- (8) Except as provided by this paragraph, the validity of a penalty is not to be questioned by any legal proceedings whatever.
- (9) In this paragraph “the court” means –
 - (a) in relation to England and Wales or Northern Ireland, the High Court, and
 - (b) in relation to Scotland, the Court of Session.

Recovery of penalties

- 9 Where a penalty imposed under paragraph 4(1), or any portion of it, has not been paid by the date on which it is required to be paid and –
- (a) no application relating to the penalty has been made under paragraph 8 during the period within which such an application can be made, or
 - (b) an application has been made under that paragraph and determined, the economic regulator may recover from the licence holder, as a civil debt due to it, any of the penalty and any interest which has not been paid.

Maximum amount of penalty

- 10 (1) The maximum amount of penalty that may be imposed on a licence holder in respect of a contravention may not exceed 10 per cent of the licence holder's turnover.
- (2) The Secretary of State may by regulations provide for how a person's turnover is to be determined for the purposes of this paragraph.
- (3) Regulations under sub-paragraph (2) are subject to the affirmative procedure.
- (4) In this paragraph “penalty” means a penalty imposed on a licence holder under paragraph 4.”

Member's explanatory statement

See the explanatory statement for the amendment in the name of Lord Callanan at page 30, line 25.

Clause 53

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

37 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

LORD TEVERSON

38★ Clause 57, page 51, line 34, at end insert –

“(1A) When making regulations under this section the Secretary of State must also publish an explanation of how revenue support mechanisms deliver in line with the CCUS Strategy and Policy Statement and the overall Strategy and Policy Statement, and how milestones relate to net zero pathways set out by the Climate Change Committee.”

Member's explanatory statement

This amendment seeks to ensure that policy processes are aligned with the Government's Strategy and Policy Statement.

LORD LENNIE
BARONESS BLAKE OF LEEDS

39 Clause 57, page 51, line 39, at end insert –

“(d) a carbon capture use revenue support contract.”

Member's explanatory statement

See the explanatory statement for the amendment at page 3, line 11.

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

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

Member's explanatory statement

This amendment is to ensure powers are appropriately delegated.

LORD CALLANAN

41 Clause 57, page 52, line 21, at end insert “or (*Enforcement*).”

Member's explanatory statement

*This amendment provides for regulations under new clause (*Enforcement*) to be subject to the affirmative procedure.*

Clause 61

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 42 Clause 61, page 54, line 33, after “a” insert “fit and proper”

Member's explanatory statement

This phrase (“fit and proper”) was used in the National Security and Investment Bill. The aim of this amendment is to put the responsibility on the Secretary of State to personally deem the individual as “fit and proper”.

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 43 Clause 61, page 55, line 5, leave out from “of” to end 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.

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 44 Clause 61, page 55, line 23, at end insert “providing that the transferee is in the opinion of the Secretary of State a fit and proper person.”

Member's explanatory statement

This amendment refers specifically to the need for the hydrogen counter party to be a fit and proper person. This phrase (“fit and proper”) was used in the National Security and Investment Bill. The aim of this amendment is to put the responsibility on the Secretary of State to personally deem the individual as “fit and proper”.

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

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

Member's explanatory statement

This amendment seeks to ensure that whether or not a producer is an eligible low carbon hydrogen producer is determined solely by the revenue support regulations, which reference, among other things, the Low Carbon Hydrogen Standard.

BARONESS BENNETT OF MANOR CASTLE

- 46★ Clause 61, page 55, line 25, leave out from “who” to end of line 28 and insert “meets the UK Low Carbon Hydrogen Standard;”

BARONESS WORTHINGTON

- 47 Clause 61, page 55, line 26, leave out from “hydrogen” to end of line 28 and insert “at a rate of 1 kilogram or more of hydrogen per kilogram of greenhouse gas emissions, and which in the opinion of the Secretary of State will contribute to a reduction in emissions of greenhouse gases more efficiently and cost effectively than other activities;”

Member's explanatory statement

This amendment introduces an emissions standard for hydrogen and requires the Government to target support at areas that cannot benefit from other cleaner, more efficient or cost effective de-carbonisation processes.

Clause 62BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

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

Member's explanatory statement

This amendment seeks to ensure that whether or not a producer is an eligible low carbon hydrogen producer is determined solely by the revenue support regulations, which reference, among other things, the Low Carbon Hydrogen Standard.

Clause 63BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 49 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 CO₂ in the air may have come from sources other than those specified.

After Clause 64

LORD OATES

50 After Clause 64, insert the following new Clause –

“Designation of a long duration energy storage counterparty

- (1) The Secretary of State may by notice given to a person designate the person to be a counterparty for long duration energy storage revenue support contracts.
- (2) A “long duration energy storage revenue support contract” is a contract in relation to which both the following paragraphs apply –
 - (a) the contract is between a long duration energy storage counterparty and the holder of a licence under section 7;
 - (b) the contract was entered into by a long duration energy storage counterparty in pursuance of a direction given to it under section 60(1).
- (3) A person designated under subsection (1) is referred to in this Chapter as a “long duration energy storage counterparty”.
- (4) A designation may be made only with the consent of the person designated (except where that person is the Secretary of State).
- (5) The Secretary of State may exercise the power to designate so that more than one designation has effect under subsection (1), but only if the Secretary of State considers it necessary for the purposes of ensuring that –
 - (a) liabilities under a long duration energy storage revenue support contract are met,
 - (b) arrangements entered into for purposes connected to a long duration energy storage revenue support contract continue to operate, or
 - (c) directions given to a long duration energy storage counterparty continue to have effect.
- (6) As soon as reasonably practicable after a designation ceases to have effect, the Secretary of State must make one or more transfer schemes under section 79 to ensure the transfer of all rights and liabilities under any transport and storage revenue support contract to which the person who has ceased to be a transport and storage counterparty was a party.”

LORD OATES

51 After Clause 64, insert the following new Clause –

“Direction to offer to contract

- (1) The Secretary of State may, in accordance with any provision made by revenue support regulations, direct a long duration energy storage counterparty to offer to contract with an eligible person specified in the direction, on terms specified in the direction.
- (2) The following are “eligible” persons for the purposes of this section –

- (a) the holder of a licence under section 7, or
 - (b) a person who is to be granted a licence under section 7 (and has been notified of that by the Secretary of State or the Gas and Electricity Markets Authority).
- (3) Revenue support regulations may make further provision about a direction under this section and in particular about—
- (a) the circumstances in which a direction may or must be given;
 - (b) the terms that may or must be specified in a direction.”

Clause 66

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 52 Clause 66, page 58, line 4, leave out “relevant market participants (see subsection (8))” and insert “the Consolidated Fund or gas shippers”

Member's explanatory statement

This amendment means the Secretary of State may put a levy on gas shippers, but may not put it on gas or electricity suppliers, thus taking responsibility away from levies to households.

LORD TEVERSON

- 53★ Clause 66, page 58, line 34, at end insert—
- “(5A) Revenue support regulations must, where possible, ensure that payments are made by market participants who will directly benefit from the hydrogen production facility.”

Member's explanatory statement

This amendment seeks to ensure that payments are made by market participants who will directly benefit from the hydrogen production facility.

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 54 Clause 66, page 59, line 1, leave out subsection (8)

Member's explanatory statement

This amendment is consequential to the amendment at page 58, line 4.

BARONESS WORTHINGTON

- 55 Clause 66, page 59, line 5, leave out paragraph (b)

Member's explanatory statement

This amendment seeks to narrow the definition of “relevant market participants”, limiting the levy to gas bills.

BARONESS WORTHINGTON

56 Clause 66, page 59, line 9, at end insert –

“(10) Regulations making provision in accordance with this section may not be made until 6 April 2026.”

Member's explanatory statement

This amendment seeks to add a sunrise clause to the regulations introducing payments to a hydrogen levy administrator to allow for further research and a stabilisation of energy prices.

BARONESS WORTHINGTON

57 Clause 66, page 59, line 9, at end insert –

“(10) Before making regulations which make provision in accordance with this section, the Secretary of State must publish an estimate of the financial impact of a hydrogen levy on consumers in each of the subsequent 10 years.”

Member's explanatory statement

This amendment seeks to protect consumers by introducing a specific consumer impact report before making regulations.

Clause 70

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

58 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 72

BARONESS WORTHINGTON
LORD HOWELL OF GUILDFORD

59 Clause 72, page 63, line 36, leave out from second “counterparty” to end of line 38 and insert “and the eligible low carbon hydrogen producer specified in the notification must, in accordance with provision made by revenue support regulations, contract on –”

Member's explanatory statement

This amendment makes the signing of a revenue support contract or contract for difference (CFD) mandatory for a firm which has successfully bid for it.

BARONESS WORTHINGTON
LORD HOWELL OF GUILDFORD

- 60 Clause 72, page 64, line 4, leave out from “counterparty” to end of line 6 and insert “and the eligible carbon capture entity specified in the notification must, in accordance with provision made by revenue support regulations, contract on—”

Member's explanatory statement

This amendment makes the signing of a revenue support contract or contract for difference (CFD) mandatory for a firm which has successfully bid for it.

BARONESS WORTHINGTON
LORD HOWELL OF GUILDFORD

- 61 Clause 72, page 64, line 11, at end insert—
- “(2A) In section 14(1) of the Energy Act 2013 (CFD notification: offer to contract on standard terms) for “must, in accordance with provision made by regulations, offer to contract with the eligible generator specified in the notification” substitute “and the eligible generator must, in accordance with provision made by regulations, contract”.”

Member's explanatory statement

This amendment makes the signing of a revenue support contract or contract for difference (CFD) mandatory for a firm which has successfully bid for it.

Clause 76

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 62 Clause 76, page 66, line 29, at end insert—
- “(4A) Revenue support regulations may make provision for the return of sums held by a revenue support counterparty that have been secured from gas shippers over and above necessary reserve levels to energy supply customers.”

Member's explanatory statement

Where shippers have above what is in reserve provision, this amendment guarantees that the difference should be restored directly to customers from the shippers (in contrast to the way the LCCC works with retailers/customers now).

After Clause 77

LORD CALLANAN

63 After Clause 77, insert the following new Clause—

*“Enforcement***Enforcement**

- (1) Revenue support regulations may make provision—
- (a) for requirements imposed under the regulations on—
 - (i) a gas supplier who holds a licence under section 7A(1) of the Gas Act 1986, or
 - (ii) a person who holds a licence under section 7A(2) of that Act (gas shipper),
 to be enforceable by the Gas and Electricity Markets Authority as if they were relevant requirements within the meaning of sections 28 to 30O of that Act;
 - (b) for requirements imposed under the regulations on an electricity supplier who holds a licence under section 6(1)(d) of the Electricity Act 1989 to be enforceable by the Gas and Electricity Markets Authority as if they were relevant requirements within the meaning of Part 1 of that Act;
 - (c) for requirements imposed under the regulations on—
 - (i) an electricity supplier who holds a licence under Article 10(1)(c) of the Electricity (Northern Ireland) Order 1992 (S.I. 1992/231 (N.I. 1)), or
 - (ii) a gas supplier who holds a licence under Article 8(1)(c) of the Gas (Northern Ireland) Order 1996 (S.I. 1996/275 (N.I. 2)),
 to be enforceable by the Northern Ireland Authority for Utility Regulation as if they were relevant requirements within the meaning of Part 6 of the Energy (Northern Ireland) Order 2003 (S.I. 2003/419 (N.I. 6)).
- (2) References in subsection (1) to enforcement include enforcement under the terms of a licence mentioned in any of paragraphs (a) to (c) of that subsection.”

Member's explanatory statement

This amendment enables revenue support regulations to make provision about the enforcement of requirements imposed by the regulations.

Clause 79

LORD LENNIE
BARONESS BLAKE OF LEEDS

64 Clause 79, page 69, line 42, at end insert –

“(l) for the certification by the Secretary of State that the transferee is a fit and proper person.”

Member's explanatory statement

If the Secretary of State needs to find a new counterparty, this amendment requires that they must ensure they are a fit and proper person, as with previous amendments in our names.

After Clause 81

LORD CALLANAN

65 After Clause 81, insert the following new Clause –

“Modifications of licences etc

- (1) The Secretary of State may modify –
 - (a) a condition of a particular licence under section 6(1)(b) of the Electricity Act 1989 (transmission licences);
 - (b) the standard conditions incorporated in licences under section 6(1)(b) of the Electricity Act 1989 by virtue of section 8A of that Act;
 - (c) a document maintained in accordance with the conditions of licences under section 6(1)(b) of the Electricity Act 1989, or an agreement that gives effect to a document so maintained.
- (2) The Secretary of State may modify –
 - (a) a condition of a particular licence under section 7 of the Gas Act 1986 (licensing of gas transporters);
 - (b) the standard conditions incorporated in licences under section 7 of the Gas Act 1986 by virtue of section 8 of that Act;
 - (c) a document maintained in accordance with the conditions of licences under section 7 of the Gas Act 1986, or an agreement that gives effect to a document so maintained.
- (3) The Secretary of State may modify –
 - (a) a condition of a particular licence under Article 10(1)(b), (bb) or (d) of the Electricity (Northern Ireland) Order 1992 (S.I. 1992/231 (N.I. 1)) (transmission, distribution or SEM operator licences);
 - (b) the standard conditions of licences under Article 10(1)(b), (bb) or (d) of that Order;
 - (c) a document maintained in accordance with the conditions of licences under Article 10(1)(b), (bb) or (d) of that Order, or an agreement that gives effect to a document so maintained.

- (4) The Secretary of State may modify –
 - (a) a condition of a particular licence under Article 8(1)(a) of the Gas (Northern Ireland) Order 1996 (S.I. 1996/275 (N.I. 2)) (licences to convey gas);
 - (b) the standard conditions of licences under Article 8(1)(a) of that Order;
 - (c) a document maintained in accordance with the conditions of licences under Article 8(1)(a) of that Order, or an agreement that gives effect to a document so maintained.
- (5) The powers conferred by subsections (1) to (4) may be exercised only for the purpose of facilitating or supporting enforcement of, and administration in connection with, obligations under regulations within section 66 (including facilitation and support by way of allowing or requiring the provision of services).
- (6) Provision included in a licence, or in a document or agreement relating to licences, by virtue of any power under subsections (1) to (4) may in particular include provision of a kind that may be included in revenue support regulations.
- (7) If under subsection (1) or (2) the Secretary of State makes modifications of the standard conditions of a licence, the GEMA must –
 - (a) make the same modification of those standard conditions for the purposes of their incorporation in licences of that type granted after that time, and
 - (b) publish the modification.
- (8) If under subsection (3) or (4) the Secretary of State makes modifications of the standard conditions of a licence, the Northern Ireland Authority for Utility Regulation must –
 - (a) make the same modification of those standard conditions for the purposes of their incorporation in licences of that type granted after that time, and
 - (b) publish the modification.
- (9) Before making a modification under this section, the Secretary of State must consult –
 - (a) the holder of any licence being modified, and
 - (b) such other persons as the Secretary of State considers it appropriate to consult.
- (10) Subsection (9) may be satisfied by consultation before, as well as by consultation after, the passing of this Act.”

Member's explanatory statement

This new clause and new clause (Section (Modifications of licences etc): supplementary) confer power to modify certain licence conditions, industry codes etc for purposes related to the enforcement of the hydrogen levy.

LORD CALLANAN

66 After Clause 81, insert the following new Clause –

“Section (*Modifications of licences etc*): supplementary

- (1) In this section “relevant power” means a power conferred by any of subsections (1) to (4) of section (*Modifications of licences etc*).
- (2) Before making modifications under a relevant power, the Secretary of State must lay a draft of the modifications before Parliament.
- (3) If, within the 40-day period, either House of Parliament resolves not to approve the draft, the Secretary of State may not take any further steps in relation to the proposed modifications.
- (4) If no such resolution is made within that period, the Secretary of State may make the modifications in the form of the draft.
- (5) Subsection (3) does not prevent a new draft of proposed modifications being laid before Parliament.
- (6) In this section “40-day period”, in relation to a draft of proposed modifications, means the period of 40 days beginning with the day on which the draft is laid before Parliament (or, if it is not laid before each House of Parliament on the same day, the later of the 2 days on which it is laid).
- (7) For the purposes of calculating the 40-day period, no account is to be taken of any period during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.
- (8) A relevant power –
 - (a) may be exercised generally, only in relation to specified cases or subject to exceptions (including provision for a case to be excepted only so long as specified conditions are satisfied);
 - (b) may be exercised differently in different cases or circumstances;
 - (c) includes a power to make incidental, supplementary, consequential or transitional modifications.
- (9) Provision included in a licence, or in a document or agreement relating to licences, by virtue of a relevant power –
 - (a) may make different provision for different cases;
 - (b) need not relate to the activities authorised by the licence.
- (10) The Secretary of State must publish details of any modifications made under a relevant power as soon as reasonably practicable after they are made.
- (11) A modification made under a relevant power of part of a standard condition of a licence does not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of Part 1 of the Gas Act 1986, Part 1 of the Electricity Act 1989, the Electricity (Northern Ireland) Order 1992 or the Gas (Northern Ireland) Order 1996.

- (12) The power conferred by a relevant power to “modify” (in relation to licence conditions or a document) includes a power to amend, add to or remove, and references to modifications are to be construed accordingly.
- (13) In section 81 of the Utilities Act 2000 (standard conditions of gas licences), in subsection (2), after “Smart Meters Act 2018” insert “or under section (*Modifications of licences etc*) or sections 193 to 195 of the Energy Act 2022”.
- (14) In section 137 of the Energy Act 2004 (new standard conditions for transmission licences), in subsection (3) –
- (a) omit the “or” after paragraph (f);
 - (b) after paragraph (g) insert –
 - “(h) under section (*Modifications of licences etc*) of the Energy Act 2022,”.

Member's explanatory statement

*See the explanatory statement for new clause (*Modifications of licences etc*).*

Clause 82

LORD CALLANAN

67 Clause 82, page 71, line 22, leave out subsection (1) and insert –

- “(1) The Secretary of State may by regulations make provision for requiring relevant persons to provide security for the performance of obligations relating to the future abandonment or decommissioning of carbon dioxide-related sites, pipelines or installations.
- (1A) For the purposes of subsection (1) an installation, site or pipeline is “carbon dioxide-related” if it is, or is to be, used for a purpose related to the geological storage, or transportation, of carbon dioxide.
- (1B) In this section references to an installation, site or pipeline include one that is located in, under or over –
- (a) the territorial sea adjacent to the United Kingdom, or
 - (b) waters in a Gas Importation and Storage Zone (within the meaning given by section 1 of the Energy Act 2008).”

Member's explanatory statement

This amendment and the amendments in the name of Lord Callanan at page 71, line 34 and page 71, line 38 revise the scope of the power in subsection (1) so that it is defined in terms of the provision of security for the performance of certain obligations, rather than by reference to the provision of security in respect of specific kinds of costs.

LORD CALLANAN

68 Clause 82, page 71, line 28, leave out “licence holder” and insert “person”

Member's explanatory statement

This amendment and the amendment in the name of Lord Callanan at page 71, line 29 enable regulations under clause 81(1) to apply to a person falling within paragraph (a) or (b) of subsection (3).

LORD CALLANAN

69 Clause 82, page 71, line 29, leave out “and” and insert “or”

Member's explanatory statement

See the explanatory statement for the amendment in the name of Lord Callanan at page 71, line 28.

LORD CALLANAN

70 Clause 82, page 71, line 34, leave out paragraph (a) and insert—

“(a) require relevant persons to provide the Secretary of State with estimates of costs that are likely to be incurred in connection with obligations such as are mentioned in subsection (1) (“decommissioning costs”);”

Member's explanatory statement

See the explanatory statement for the amendment in the name of Lord Callanan at page 71, line 22.

LORD CALLANAN

71 Clause 82, page 71, line 38, leave out from “decommissioning” to “and” in line 39 and insert “costs”

Member's explanatory statement

See the explanatory statement for the amendment in the name of Lord Callanan at page 71, line 22.

LORD CALLANAN

72 Clause 82, page 72, line 3, leave out from “relevant” to “at” in line 4 and insert “persons to review estimates of decommissioning costs”

Member's explanatory statement

This amendment is consequential on the amendments in the name of Lord Callanan at page 71, line 22 and page 71, line 28.

LORD CALLANAN

73 Clause 82, page 72, line 9, leave out “licence holders” and insert “persons”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 71, line 28.

LORD CALLANAN

74 Clause 82, page 72, line 15, leave out subsection (5)

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 71, line 22.

LORD CALLANAN

75 Clause 82, page 72, line 25, leave out paragraph (a) and insert—

“(a) requiring that security for the discharge of liabilities in respect of decommissioning costs must be provided by way of a fund (a “decommissioning fund”);”

Member's explanatory statement

This amendment introduces the expression “decommissioning fund” and removes a requirement that regulations must specify the arrangements under which such funds are to be held.

LORD CALLANAN

76 Clause 82, page 72, line 30, leave out from “of” to end of line 31 and insert “decommissioning funds”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 72, line 25.

LORD CALLANAN

77 Clause 82, page 72, line 32, leave out “licence holder” and insert “person”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 71, line 28.

LORD CALLANAN

78 Clause 82, page 72, line 36, leave out “an appropriate” and insert “a relevant”

Member's explanatory statement

This amendment and the amendment in the name of Lord Callanan at page 73, line 25 enable certain functions to be conferred on the Oil and Gas Authority (in addition to the Secretary of State and the economic regulator).

LORD CALLANAN

79 Clause 82, page 72, line 37, leave out from “of” to end of line 38 and insert “decommissioning funds”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 72, line 25.

LORD CALLANAN

80 Clause 82, page 72, line 42, leave out subsections (8) and (9) and insert –

- “(8) Regulations under subsection (1) may require the Secretary of State to publish guidance about –
- (a) estimates of decommissioning costs (including factors which it may be appropriate to consider in deciding whether or not to approve estimates of such costs);
 - (b) the structure, accrual and management of decommissioning funds.”

Member's explanatory statement

This amendment and the amendment in the name of Lord Callanan at page 73, line 7 replace the duty to publish guidance with a power to require the Secretary of State to publish guidance and make other changes to the provision about guidance.

LORD LENNIE
BARONESS BLAKE OF LEEDS

81 Clause 82, page 73, line 6, at end insert –

- “(9A) Such guidance must have regard to the circumstances under which a prospectively decommissioned carbon capture and storage facility came to be established and what relation that point of establishment had with provisions under Part 4 of the Petroleum Act 1998.”

Member's explanatory statement

This amendment seeks to clarify the position of decommissioned oil and gas plants that are not fully decommissioned before they are transitioned to a CCUS plant, and where financial responsibility then lies at the end of the CCUS lifecycle when it is due to be decommissioned. This

amendment requires the Secretary of State to have regard to this complexity and assess where the responsibility lies.

LORD CALLANAN

82 Clause 82, page 73, line 7, leave out “under or”

Member's explanatory statement

See the amendment in the name of Lord Callanan at page 72, line 42.

LORD CALLANAN

83 Clause 82, page 73, leave out lines 10 to 23 and insert—

““decommissioning costs” is to be interpreted in accordance with subsection (4)(a);
“decommissioning fund” is to be interpreted in accordance with subsection (6)(a);”

Member's explanatory statement

This amendment omits and inserts definitions in consequence of other amendments of clause 82 in the name of Lord Callanan.

LORD CALLANAN

84 Clause 82, page 73, leave out lines 25 to 31 and insert—

““geological storage” has the same meaning as in Part 1 (see section 55);
“relevant authority” means the Secretary of State, the economic regulator or the
Oil and Gas Authority.”

Member's explanatory statement

See the explanatory statement for the amendment in the name of Lord Callanan at page 72, line 36.

Clause 83

LORD CALLANAN

85 Clause 83, page 73, line 34, leave out “licence holders” and insert “persons”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 71, line 28.

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 86 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.

LORD CALLANAN

- 87 Clause 83, page 74, line 29, leave out “licence holder” and insert “person”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 71, line 28.

LORD CALLANAN

- 88 Clause 83, page 74, line 36, at end insert “or
(d) the Storage of Carbon Dioxide (Licensing etc) Regulations (Northern Ireland) (S.R. (N.I.) 2015 No. 387),”

Clause 84

LORD CALLANAN

- 89 Clause 84, page 75, line 25, leave out “and legacy”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 71, line 34.

LORD CALLANAN

- 90 Clause 84, page 75, line 30, leave out “and legacy”

Member's explanatory statement

This amendment and the amendment in the name of Lord Callanan at page 75, line 31 are consequential on the amendment in the name of Lord Callanan at page 71, line 34.

LORD CALLANAN

- 91 Clause 84, page 75, line 31, leave out “82(5)” and insert “82(4)”

Member's explanatory statement

See the explanatory statement for the amendment in the name of Lord Callanan at page 75, line 30.

Clause 85

LORD CALLANAN

- 92 Clause 85, page 75, line 36, leave out “carbon storage” and insert “certain”

Member's explanatory statement

See the amendment in the name of Lord Callanan at page 76, line 1.

LORD CALLANAN

- 93 Clause 85, page 76, line 1, leave out subsection (3)

Member's explanatory statement

This amendment and amendments in the name of Lord Callanan at page 75, line 36, page 76, line 33, and page 77, line 9, revert to the label “eligible CCS installation” for certain installations that are eligible for change of use relief.

LORD CALLANAN

- 94 Clause 85, page 76, line 4, leave out subsections (5) and (6) and insert –

“(5) Omit subsections (2) and (3).”

Member's explanatory statement

This amendment removes a restriction on change of use relief relating to certain installations whose licence was granted by the Scottish Ministers etc.

LORD CALLANAN

- 95 Clause 85, page 76, line 7, leave out “After subsection (3)” and insert “Before subsection (4)”

Member's explanatory statement

This amendment is consequential on amendment in the name of Lord Callanan at page 76, line 4.

LORD CALLANAN

- 96 Clause 85, page 76, line 9, at end insert –

“(b) whether to make a certification under subsection (5)(b).”

Member's explanatory statement

This amendment requires the Secretary of State to consult with the Oil and Gas Authority before making a certification of the kind mentioned in amendment in the name of Lord Callanan at page 76, line 33.

LORD CALLANAN

97 Clause 85, page 76, line 10, leave out subsections (8) and (9) and insert—

“(8) For subsection (4) substitute—

“(4) An eligible CCS installation qualifies for change of use relief if—

- (a) the Secretary of State has given a CCS-related abandonment programme notice to a person in relation to the abandonment of the installation, and
- (b) the trigger event has occurred in relation to the installation.

(4A) In subsection (4) “CCS-related abandonment programme notice” means an abandonment programme notice given under section 29 of the 1998 Act in that section’s application in relation to carbon storage installations (by virtue of section 30 of this Act).”

Member's explanatory statement

This amendment changes the conditions for change of use relief under section 30A of the Energy Act 2008.

LORD CALLANAN

98 Clause 85, page 76, line 33, leave out from beginning to end of line 7 on page 77 and insert—

“(5) The trigger event occurs in relation to an eligible CCS installation when—

- (a) a decommissioning fund (as defined in section 82(6)) has been established for providing security for the discharge of liabilities in respect of decommissioning costs in relation to the installation, and
- (b) the Secretary of State certifies by notice in writing (an “approval notice”) that one or more relevant persons have paid into the fund an amount or amounts the total of which is not less than the required amount.

(5A) In subsection (5)—

- (a) “relevant person” means a person of a description specified in regulations made by the Secretary of State;
- (b) “the required amount” means an amount determined by the Secretary of State in accordance with regulations made by the Secretary of State.”

Member's explanatory statement

This amendment amends the conditions for qualifying for change of use relief under section 30A of the Energy Act 2008.

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 99 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

- 100 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.

LORD CALLANAN

- 101 Clause 85, page 77, line 9, leave out “carbon storage” and insert “CCS”

Member's explanatory statement

See amendment in the name of Lord Callanan at page 76, line 1.

LORD CALLANAN

- 102 Clause 85, page 77, leave out lines 27 and 28

Member's explanatory statement

This amendment leaves out an unnecessary definition.

LORD CALLANAN

- 103 Clause 85, page 77, line 29, leave out “and legacy”

Member's explanatory statement

This amendment is consequential on amendment in the name of Lord Callanan at page 71, line 34.

LORD CALLANAN

104 Clause 85, page 77, leave out lines 31 to 35

Member's explanatory statement

This amendment omits definitions in consequence of the amendment in the name of Lord Callanan at page 76, line 10.

Clause 86

LORD CALLANAN

105 Clause 86, page 78, line 12, at end insert –

“(b) whether to make a certification under subsection (3)(b).”

Member's explanatory statement

This amendment requires the Secretary of State to consult with the Oil and Gas Authority before making a certification of the kind mentioned in Lord Callanan's amendment at line 78, line 37.

LORD CALLANAN

106 Clause 86, page 78, line 13, leave out subsections (6) and (7) and insert –

“(6) For subsection (2) substitute –

“(2) An eligible carbon storage network pipeline qualifies for change of use relief if –

- (a) the Secretary of State has given a CCS-related abandonment programme notice to a person in relation to the abandonment of the pipeline, and
- (b) the trigger event has occurred in relation to the pipeline.

(2A) In subsection (2) “CCS-related abandonment programme notice” means an abandonment programme notice under section 29 of the 1998 Act given at a time when the pipeline is used, or is to be used wholly or mainly –

- (a) for the purpose of disposing of carbon dioxide by way of geological storage, or
- (b) as a licensable means of transportation.””

Member's explanatory statement

This amendment changes the conditions for change of use relief under section 30B of the Energy Act 2008.

LORD CALLANAN

107 Clause 86, page 78, line 37, leave out from beginning to end of line 12 on page 79 and insert –

- “(3) The trigger event occurs in relation to an eligible carbon storage network pipeline when –
- (a) a decommissioning fund (as defined in section 82(6)) has been established for providing security for the discharge of liabilities in respect of decommissioning costs in relation to the pipeline, and
 - (b) the Secretary of State certifies by notice in writing (an “approval notice”) that one or more relevant persons have paid into the fund an amount or amounts the total of which is not less than the required amount.
- (3A) In subsection (3) –
- (a) “relevant person” means a person of a description specified in regulations made by the Secretary of State;
 - (b) “the required amount” means an amount determined by the Secretary of State in accordance with regulations made by the Secretary of State.”

Member's explanatory statement

This amendment revises the definition of “trigger event” for the purposes of relief under section 30B of the Energy Act 2008.

LORD CALLANAN

108 Clause 86, page 79, line 32, leave out “and legacy”

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 71, line 34.

LORD CALLANAN

109 Clause 86, page 79, line 33, leave out “82(5)” and insert “82”

Member's explanatory statement

This amendment is consequential on Lord Callanan’s amendment at page 73, line 23.

Clause 87

LORD CALLANAN

110 Clause 87, page 80, line 3, leave out “information” and insert “supplementary”

Member's explanatory statement

This amendment is consequential on Lord Callanan's amendment of clause 87 at page 80, line 30.

LORD CALLANAN

111 Clause 87, page 80, line 30, at end insert –

“(2) In section 105 of the Energy Act 2008 (Parliamentary control of subordinate legislation), in subsection (2) omit paragraph (aa).”

Member's explanatory statement

This amendment is consequential on the amendments in the name of Lord Callanan of clauses 85 and 86.

Clause 88

LORD TEVERSON

112★ Clause 88, page 81, line 9, at end insert –

- “(d) an explanation of the underlying assumptions and decision processes that have led to that policy, including a review of how it relates to the latest science available, and
- (e) how the policy will change if assumptions about the future change.”

Member's explanatory statement

This amendment seeks to ensure that policy processes are aligned with the Government's Strategy and Policy Statement.

Clause 90

LORD LENNIE

BARONESS BLAKE OF LEEDS

BARONESS BENNETT OF MANOR CASTLE

113 Clause 90, page 83, line 25, at end insert –

“(aa) the Official Opposition;”

Member's explanatory statement

Under the Bill, the Secretary of State has to produce a CCUS strategy and it has to be reviewed after 5 years. However, they have the power to review it before the end of this 5-year term if certain circumstances have taken place (including a general election) but must consult certain people if it is outside the 5-year period. This amendment seeks to include Her Majesty's opposition in that consultation.

Clause 91

BARONESS LIDDELL OF COATDYKE
LORD FOULKES OF CUMNOCK

- 114 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

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

Member's explanatory statement

CO₂ 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

- 116 Clause 97, page 90, line 18, leave out from first “production” to end of line 20 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 98

BARONESS WORTHINGTON
LORD TEVERSON

- 117 Clause 98, page 90, line 32, leave out “may by regulations” and insert “must by regulations, within 12 months of this Act being passed,”

Member's explanatory statement

This amendment requires the Secretary of State to make regulations establishing a low-carbon heat scheme within 12 months of the Bill receiving Royal Assent.

LORD LENNIE
BARONESS BLAKE OF LEEDS

118 Clause 98, page 90, line 33, at end insert –

- “(1A) The establishment of low-carbon heat schemes is to be based on –
- (a) the banning of the installation of unabated gas boilers in new properties from March 2025;
 - (b) the banning of the sale and installation of unabated gas boilers in all properties after March 2035.”

Member's explanatory statement

This amendment means any scheme the Secretary of State wants to bring in has to be based on the above timescales for banning the sale and installation of gas boilers by 2025/2035.

LORD LENNIE
BARONESS BLAKE OF LEEDS
BARONESS YOUNG OF OLD SCONE

119 Clause 98, page 90, line 33, at end insert –

- “(1A) The Secretary of State must, in making provision for the establishment of one or more low-carbon schemes, produce a plan for low-carbon heating in homes in which it is uneconomic or impractical to install heat pumps.”

Member's explanatory statement

This ensures that, when the Secretary of State is making a low-carbon heat scheme, they have to provide a plan for low-carbon heating in homes where it is uneconomic or unfeasible to have a heat pump (large, rural, off-grid homes etc.).

LORD TEVERSON

120★ Clause 98, page 90, line 33, at end insert –

- “(1A) When making regulations under this section the Secretary of State must also publish a statement demonstrating how low-carbon heat support schemes deliver in line with the CCUS Strategy and Policy Statement and overall Strategy and Policy Statement, including a review of how this relates to the latest science available.”

Member's explanatory statement

This amendment seeks to ensure that policy processes are aligned with the Government's Strategy and Policy Statement.

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 121★** Clause 98, page 91, line 17, at end insert “except for hydrogen produced in accordance with the low carbon hydrogen standard”

Member's explanatory statement

This amendment allows heating appliances that use hydrogen produced to the Low Carbon Hydrogen Standard (blue hydrogen) to be included in low-carbon heat schemes.

Clause 100

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 122** Clause 100, page 92, line 23, at end insert –

“provided that targets to be set for a scheme include –

- (i) the sale and installation of at least 600,000 heat pumps per year by 2025,
- (ii) the sale and installation of at least 900,000 heat pumps by 2028, and
- (iii) that at least 25% of the output of scheme participant manufacturers must be heat pumps by 2028.”

Member's explanatory statement

Sub-paragraph (i) seeks to include the Government's own figures for heat pumps in the Bill. Sub-paragraph (ii) seeks to include the number of heat pumps in the latest figures on recommendations from the CCC. And sub-paragraph (iii) seeks to oblige manufacturers producing gas boilers to turn to minimum 25% production of heat pumps by 2028 to facilitate the clean heat transition.

LORD CALLANAN

- 123** Clause 100, page 92, line 26, at end insert –

“(2A) In the case of a low-carbon heat target that is imposed by virtue of subsection (1)(c) or (d) on a scheme participant who manufactures heating appliances, the target may be set by reference to heating appliances that are supplied or installed (whether or not by the scheme participant).”

Member's explanatory statement

This amendment makes it clear that a low-carbon heat target set by virtue of clause 100(1)(c) or (d) may be set, in the case of a manufacturer, by reference to heating appliances of the manufacturer that are supplied or installed, whether by the manufacturer or someone else.

LORD CALLANAN

- 124** Clause 100, page 92, line 31, leave out “activity” and insert “appliance”

Member's explanatory statement

This amendment corrects a minor drafting error in subsection (4) of clause 100.

Clause 108

BARONESS BENNETT OF MANOR CASTLE
LORD MOYLAN

The above-named Lords give notice of their intention to oppose the Question that Clause 108 stand part of the Bill.

Member's explanatory statement

This would remove provision for hydrogen grid conversion trials for domestic heating and cooking.

Clause 109

LORD TEVERSON

- 125★** Clause 109, page 97, line 40, at end insert “and to provide an adequate level of information over safety and long-run bill impacts, alongside the opportunity to opt out”.

Member's explanatory statement

This amendment would ensure gas transporters provide consumers with an adequate level of information over safety and long-run bill impacts, alongside the opportunity to opt out.

LORD TEVERSON

- 126★** Clause 109, page 97, line 42, at end insert –
“(1A) Regulations made under subsection (1) must ensure that where costs of a trial are passed on to consumers, those consumers will directly benefit from future conversion of the gas grid to carry hydrogen.”

Member's explanatory statement

This amendment would ensure that where costs of a trial are passed on to consumers, those consumers will directly benefit from future conversion of the gas grid to carry hydrogen.

LORD LENNIE
BARONESS BLAKE OF LEEDS

- 127** Clause 109, page 98, line 9, at end insert –
“(4A) That provision must include the guarantee of the installation of other forms of low carbon heating by the gas transporter where a household does not wish to take part in the hydrogen grid conversion trial.”

Member's explanatory statement

This amendment seeks to ensure that no household will be forced to take part in the trial and that instead households will be given an alternative heating solution by the gas transporter (the DNO).

LORD TEVERSON

128★ Clause 109, page 98, line 34, at end insert –

“(8A) When making regulations under this section the Secretary of State must also publish a statement demonstrating how hydrogen grid conversion trials deliver in line with the CCUS Strategy and Policy Statement and overall Strategy and Policy Statement, including a review of how this relates to the latest science available.”

Member's explanatory statement

This amendment seeks to ensure that policy processes are aligned with the Government's Strategy and Policy Statement.

BARONESS BENNETT OF MANOR CASTLE
LORD MOYLAN

The above-named Lords give notice of their intention to oppose the Question that Clause 109 stand part of the Bill.

Member's explanatory statement

This would remove provision for hydrogen grid conversion trials for domestic heating and cooking.

Clause 110

LORD LENNIE
BARONESS BLAKE OF LEEDS

129 Clause 110, page 99, line 13, leave out subsection (2)

Member's explanatory statement

This appears to be covered already in previous legislation.

LORD LENNIE
BARONESS BLAKE OF LEEDS

130 Clause 110, page 99, line 20, at end insert –

“(2C) The Secretary of State shall establish and consult on the establishment of a revised nuclear site licensing regime for fusion energy which shall not be subject to the full range of safeguards associated with the use of fissionable materials but shall have regard to the residual radioactivity of the proceeds of fission activity.”

Member's explanatory statement

This would mean that the Secretary of State has to define and consult on new nuclear site licensing which will not be subject to safeguards associated with fissionable materials – as this is not totally radioactivity free, it is just a low level.

Clause 112

LORD TEVERSON

131 Clause 112, page 100, line 22, at end insert –

“(f) ensuring that the investment required to deliver its plans and strategies in paragraphs (c) and (d) is realised.”

Member's explanatory statement

This amendment requires the ISOP not just to strategise and plan but to have a responsibility to deliver.

Clause 113

LORD TEVERSON

132 Clause 113, page 100, line 24, at end insert –

“(1A) The person designated under subsection (1) must be a public body with no other roles or interests in the energy sector.”

Member's explanatory statement

This amendment ensures that the ISOP is a public body, not an individual or a private company, and has no conflicting interests.

After Clause 113

BARONESS WORTHINGTON

133★ After Clause 113, insert the following new Clause –

“Independence of the ISOP

- (1) Appointments of the chair of the ISOP may be made by the Secretary of State, taking such advice as they consider appropriate.
- (2) Appointments of other directors of ISOP are to be made by the directors alone.
- (3) The Secretary of State may not designate themselves as ISOP, appoint themselves as chair or be appointed as a director.
- (4) The directors may appoint employees and make any other arrangements for staffing that they think fit.
- (5) The Secretary of State and the directors must satisfy themselves that a person to be appointed as a director does not have a conflict of interest, and must also satisfy themselves from time to time that none of the existing directors has a conflict of interest.

- (6) The Secretary of State may not designate an existing person as the ISOP unless they meet the requirements of this section.”

Member's explanatory statement

This amendment sets minimum requirements around the independence of the Future System Operator.

Clause 114

LORD TEVERSON

- 134** Clause 114, page 101, line 7, leave out paragraph (c) and insert –

- “(c) the energy efficiency objective;
(d) the economic efficiency objective, taking into account the needs of a circular economy.”

Member's explanatory statement

This amendment ensures that energy efficiency is a core objective of the ISOP and that its plans and strategies take into account a circular economy model.

LORD FOSTER OF BATH

- 135** 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.

LORD TEVERSON

- 136** Clause 114, page 101, line 14, after second “security” insert “and adequacy”

Member's explanatory statement

This amendment defines security more broadly by including the concept of adequate capacity.

LORD TEVERSON

- 137★** Clause 114, page 101, line 15, leave out “to existing and future consumers” and insert “and that the market works efficiently in providing supplies to existing and future consumers, including enabling flexible consumption,”

Member's explanatory statement

This amendment seeks to strengthen obligations on the ISOP to invest in innovative technologies.

LORD TEVERSON

- 138 Clause 114, page 101, line 19, leave out subsection (4) and insert –
- “(4) The energy efficiency objective is to ensure that the efficient use of energy is a core driver in the plans and strategies of the ISOP.
- (4A) The economic efficiency objective is the objective of promoting –
- (a) efficient, co-ordinated, and economical systems for the distribution and transmission of electricity and the conveyance of gas;
 - (b) a circular economy model wherever appropriate.”

Member's explanatory statement

This amendment ensures that energy efficiency is a core objective of the ISOP and that its plans and strategies take into account, when appropriate, a circular economy model.

Clause 115

LORD TEVERSON

- 139★ Clause 115, page 102, line 24, at end insert “including opportunities for investments to improve the efficiency of energy consumption”

Member's explanatory statement

This amendment seeks to strengthen obligations on the ISOP to invest in innovative technologies.

LORD TEVERSON

- 140★ Clause 115, page 102, line 26, at end insert “and the need to adopt best available technologies, including digital technologies and predictive capabilities, not at excessive cost”

Member's explanatory statement

This amendment seeks to strengthen obligations on the ISOP to invest in innovative technologies.

LORD TEVERSON

- 141★ Clause 115, page 102, line 26, at end insert –
- “(e) the Climate Change Committee’s latest analysis and recommendations.”

Member's explanatory statement

This amendment seeks to ensure that policy decisions under this section are science-based.

Clause 116

LORD TEVERSON

142 Clause 116, page 102, line 40, leave out subsection (1) and insert—

“(1) The ISOP once designated must be independent of the Secretary of the State, except by way of having regard to the strategic priorities set out in the current strategy and policy statement.”

Member's explanatory statement

This amendment ensures that the Independent System Operator and Planner is independent.

LORD TEVERSON

143★ Clause 116, page 102, line 40, leave out “have regard to” and insert “demonstrate how they align with”

Member's explanatory statement

This amendment seeks to ensure that policy processes are aligned with the Government's Strategy and Policy Statement.

LORD TEVERSON

144 Clause 116, page 102, line 41, at end insert—

“(1A) Within 18 months of its designation, and every year thereafter, the ISOP must report to Parliament on—

- (a) its delivery against its objectives;
- (b) the current state of energy networks in Great Britain including inter-connectors; and
- (c) its future challenges.”

Member's explanatory statement

This amendment ensures that there is open and transparent accountability from an independent publicly designated body.

LORD TEVERSON

145★ Clause 116, page 103, line 2, leave out from “that” to end of line 3 and insert “the assumptions or decision methodology contained in the current strategy and policy statement is no longer appropriate.”

Member's explanatory statement

This amendment seeks to ensure that policy processes are aligned with the Government's Strategy and Policy Statement and clarify the role of the ISOP in advising when the statement needs to be updated.

LORD TEVERSON

- 146★** Clause 116, page 103, line 3, at end insert “, and such a judgement must be based on a considered view of the latest science available, including the opinions of the Climate Change Committee.”

Member's explanatory statement

This amendment seeks to ensure that policy decisions under this section are science-based.

Clause 117

LORD CALLANAN

- 147** Clause 117, page 105, line 4, at end insert –
- “(11) In section (*Modifications of licences etc*) of this Act (modifications of licences etc) –
- (a) in subsection (1)(a) for “of the Electricity Act 1989 (transmission licences)” substitute “or (da) of the Electricity Act 1989 (transmission and electricity system operator licences)”;
 - (b) in subsection (1)(c), for “6(1)(b)” substitute “6(1)(b) or (da)”.”

Member's explanatory statement

*This amendment amends new clause (*Modifications of licences etc*) to take account of clause 117(4).*

Clause 124

LORD TEVERSON

- 148★** Clause 124, page 111, line 3, at end insert “and make recommendations to the Secretary of State where new assumptions or decision processes should be included in the Strategy and Policy Statement.”

Member's explanatory statement

This amendment seeks to ensure that policy processes are aligned with the Government’s Strategy and Policy Statement and clarify the role of the ISOP in advising when the statement needs to be updated.

Schedule 11

LORD CALLANAN

- 149** Schedule 11, page 257, line 3, at end insert –
- “*Energy Act 2022*
- 12 In section (*Modifications of licences etc*) –
- (a) after subsection (1) insert –
- “(1A) The Secretary of State may modify –

- (a) a condition of a particular licence under section 6(1)(g) of the Electricity Act 1989 (code manager licence);
- (b) a document maintained in accordance with the conditions of licences under section 6(1)(g) of the Electricity Act 1989, or an agreement that gives effect to a document so maintained.”;
- (b) in subsection (2)(a) –
 - (i) after “7”, insert “or 7AC”;
 - (ii) after “transporters” insert “or code manager licence”;
- (c) in subsection (2)(c), after “7” insert “or 7AC”;
- (d) in subsection (7), after “(1)” insert “, (1A)”.

Member's explanatory statement

This amendment amends new clause (Modifications of licences etc) to take account of clauses 136(6) and 137(7).

Schedule 12

LORD CALLANAN

- 150** Schedule 12, page 257, line 23, leave out “section 4(1)(ca)” and insert “section 4(3A)(a)”

Member's explanatory statement

This amendment ensures that the cross-reference in new section 6BA(3) of the Electricity Act 1989 (inserted by paragraph 2 of Schedule 12 to the Bill) is to section 4 of that Act as it currently stands.

LORD CALLANAN

- 151** Schedule 12, page 266, line 40, leave out “section 6CB(2)” and insert “section 6CC(2)”

Member's explanatory statement

This amendment fixes an incorrect cross-reference in the amendment made by paragraph 5(5) of Schedule 12 to the Bill to section 6F(8) of the Electricity Act 1989.

Schedule 13

LORD CALLANAN

- 152** Schedule 13, page 278, line 39, leave out from “for” to “there” in line 40 and insert ““lessening of competition” (in each place it appears)”

Member's explanatory statement

This amendment, and the other amendments in Lord Callanan’s name in relation to Schedule 13, amend the inserted Schedule 5A for the Enterprise Act 2002 (which modifies Chapter 1 of Part 3 of that Act as it applies in relation to energy network mergers) by bringing the modifications into line with the wider regime for mergers.

LORD CALLANAN

- 153 Schedule 13, page 279, line 20, leave out from “for” to “there” in line 21 and insert ““lessening of competition” (in each place it appears)”

Member's explanatory statement

See the explanatory statement for the amendment in Lord Callanan's name at page 278, line 39.

LORD CALLANAN

- 154 Schedule 13, page 279, line 29, leave out from “subsection” to end of line 31 and insert “(2)(a) and (b), for “lessening of competition” there were substituted “prejudice””

Member's explanatory statement

See the explanatory statement for the amendment in Lord Callanan's name at page 278, line 39.

LORD CALLANAN

- 155 Schedule 13, page 279, line 32, leave out from “for” to “there” in line 33 and insert ““lessening of competition””

Member's explanatory statement

See the explanatory statement for the amendment in Lord Callanan's name at page 278, line 39.

Clause 156

LORD TEVERSON

- 156★ Clause 156, page 129, line 34, at end insert—

“(d) requiring that the new grid infrastructure forms part of the Centralised Strategic Network Plan designed by the ISOP.”

Member's explanatory statement

This amendment seeks to ensure that Multi-Purpose Interconnectors are part of a strategic offshore grid.

After Clause 161

LORD TEVERSON

- 157 After Clause 161, insert the following new Clause—

“Plan for vulnerable consumers

- (1) Within three months of the day on which this Act is passed, the Secretary of State must prepare a plan in relation to vulnerable consumers and consumers from low-income households in relation to the cost of energy, and lay the plan before Parliament.

- (2) The plan must set out measures which the Secretary of State intends to pursue which may include, but are not limited to –
- (a) the extension of the energy price cap to heating oil,
 - (b) the extension of the warm homes discount,
 - (c) the increase of winter fuel payments,
 - (d) preventing electricity suppliers from recovering the costs of paying a revenue collection counterparty under the Nuclear Energy (Financing) Act 2022 from customers claiming Universal Credit or other legacy benefits,
 - (f) requirements for energy suppliers to offer social energy tariffs to households experiencing fuel poverty, and
 - (g) any other measures the Secretary of State believes are appropriate.”

Member's explanatory statement

This amendment would require the Secretary of State to develop a plan to protect vulnerable customers from the rising cost of energy.

LORD TEVERSON

158 After Clause 161, insert the following new Clause –

“Prohibition on setting domestic energy prices according to region

Within six months of the day on which this Act is passed, the Secretary of State must by regulations prohibit energy companies from setting prices for domestic energy supply according to geographical region.”

Member's explanatory statement

This amendment would require the Government to bring forward legislation to end the regional pricing of domestic energy bills.

LORD WHITTY

159★ After Clause 161, insert the following new Clause –

“The introduction of a social tariff for vulnerable energy customers

- (1) Within three months of the day on which this Act is passed, the Secretary of State must prepare a plan in relation to bringing forward a social tariff for vulnerable energy customers and lay that plan before Parliament.
- (2) The Secretary of State may by notice in writing require the economic regulator to introduce a social tariff for energy that satisfies the following conditions –
 - (a) it is additional to the Warm Home Discount and Default Tariff Price Cap,
 - (b) it is mandatory for all licensed electricity and gas suppliers,
 - (c) it is targeted on households that are in or at risk of fuel poverty,
 - (d) it is set at a level that is below the market price, and
 - (e) it automatically enrolls eligible households onto the tariff.”

Member's explanatory statement

An amendment to give the Secretary of State the power to introduce a social tariff for energy and place a duty on the UK Government to prepare a plan for the introduction of such a tariff.

Clause 163

LORD TEVERSON

160★ Clause 163, page 135, line 13, at end insert –

“(7FA) When making provision by virtue of subsection (7C), the Secretary of State must make a statement demonstrating how payments as an alternative to complying with certain obligations is consistent with delivery of the Strategy and Policy Statement.”

Member's explanatory statement

This amendment seeks to ensure that policy processes are aligned with the Government's Strategy and Policy Statement.

Clause 164

LORD TEVERSON

161 Leave out Clause 164 and insert the following new Clause –

“Smart meters

- (1) Within six months of the day on which this Act is passed the Secretary of State must lay before Parliament a new plan for the roll out of smart meters.
- (2) The plan outlined in subsection (1) must include provisions to place the responsibility for installing smart meters with the regional Distribution Network Operators (DNOs).
- (3) The plan must also outline a requirement for the DNOs to work with the appropriate local authority in each area to implement “street by street” or “rural cluster” replacement of non-smart meters, and the upgrade of SMETS1 meters.”

Member's explanatory statement

This amendment requires a new delivery plan for smart meters to be drawn up by the Secretary of State rather than an adjustment of timescales alone. It mandates that the plan is delivered by the regional DNOs rather than, as at present, electricity retailers, in strong coordination with local authorities.

Schedule 15

BARONESS WORTHINGTON

162★ Schedule 15, page 291, line 38, at end insert –

“(fa) conditions about the source of the heating;”

Member's explanatory statement

This amendment seeks to probe whether the Regulator can set requirements about the source of heating – for example, in relation to imported wood pellets or heavy fuel oil – as well as emissions of targeted greenhouse gases.

Clause 178

LORD TEVERSON

163★ Clause 178, page 146, line 35, leave out “may” and insert “must”

Member's explanatory statement

This amendment would require regulations under this section to be made.

LORD TEVERSON

164★ Clause 178, page 146, line 39, leave out “may” and insert “must”

Member's explanatory statement

This amendment makes the requirements for regulations under this section mandatory.

LORD TEVERSON

165★ Clause 178, page 146, line 41, at end insert “including demonstrating consistency with the latest Strategy and Policy Statement and with relevant local authority plans to achieve a net zero local energy system”

Member's explanatory statement

This amendment seeks to ensure the co-ordination and delivery of heat delivery networks at a local level.

Clause 181

LORD TEVERSON

166★ Clause 181, page 150, line 37, at end insert –

“(d) require zone coordinators to demonstrate how heat network delivery fits into an overall delivery plan for a net zero local energy system.”

Member's explanatory statement

This amendment seeks to ensure the co-ordination and delivery of heat delivery networks at a local level.

After Clause 184

LORD RAVENSDALE

167★ After Clause 184, insert the following new Clause –

“Extension of heat network zones to relevant heating appliances

Regulations about relevant heating appliances

- (1) The Secretary of State may by regulations apply some or all of the provisions applicable to relevant district heat networks in this Chapter to one or more types of relevant heating appliance.
- (2) “Relevant heating appliance” has the meaning given in section 98(3).
- (3) Regulations under this section are subject to the affirmative procedure.”

Member's explanatory statement

This amendment enables the extension of the Bill's zoning provisions applicable to heat networks to heat pumps.

After Clause 185

LORD RAVENSDALE

168★ After Clause 185, insert the following new Clause –

“PART 7A

LOCAL AREA ENERGY PLANS

Duty to provide guidance

- (1) The Secretary of State must publish guidance for local authorities on local area energy planning within 12 months of this Act being passed.
- (2) The guidance in subsection (1) may include, but is not limited to, guidance on –
 - (a) contributing towards meeting the targets set under –
 - (i) Part 1 of the Climate Change Act 2008 (UK net zero emissions target and budgeting), and
 - (ii) sections 1 to 3 of the Environment Act 2021 (environmental targets);
 - (b) adapting to any current or predicted impacts of climate change identified in the most recent report under section 56 of the Climate Change Act 2008 (report on impact of climate change);
 - (c) the data and assumptions used in creating a local area energy plan;

- (d) the roles and responsibilities of those involved in creating a local area energy plan;
 - (e) the minimum standards for a local area energy plan.
- (3) Local authorities must have regard to the guidance produced under subsection (1) when developing local area energy plans.
- (4) In this section, “local authority” has the meaning given in section 176.”

Member's explanatory statement

This amendment provides guidance for local authorities to help them produce Local Area Energy Plans. It aims to widen the roll out of Local Area Energy Plans among local authorities and help better define the role of local authorities in delivering the future energy system.

Clause 186

LORD CALLANAN

- 169** Clause 186, page 154, line 18, leave out from “future” to end and insert “flow of electricity into or out of itself”

Member's explanatory statement

This amendment amends the reference to electrical energy in the definition of “energy smart appliance” that applies for the purposes of Part 8.

LORD CALLANAN

- 170** Clause 186, page 154, line 24, after “sent” insert “via a relevant electronic communications network to an energy smart appliance”

Member's explanatory statement

This amendment, together with the amendment in the name of Lord Callanan at page 154, line 25, amends the definition of “load control signal” that applies for the purposes of Part 8 so that it includes a digital communication sent to an energy smart appliance even if the communication is not received by the appliance.

LORD CALLANAN

- 171** Clause 186, page 154, line 25, leave out from “adjustment” to end of line 26

Member's explanatory statement

This amendment is consequential on the amendment in the name of Lord Callanan at page 154, line 24.

LORD CALLANAN

172 Clause 186, page 154, line 26, at end insert –

- “(4A) For the purposes of subsection (2) an adjustment to the flow of electricity into or out of an appliance is made in response to a load control signal whether it is made in response to –
- (a) the sending of the signal, or
 - (b) the sending of the signal and one or more additional factors.”

Member's explanatory statement

This amendment glosses the definition of “energy smart appliance” that applies for the purposes of Part 8 to make it clear that a load control signal may be one of a number of factors in response to which an adjustment is made.

Clause 187

LORD CALLANAN

173 Clause 187, page 155, line 6, after “cleaning” insert “tableware”

Member's explanatory statement

This amendment, together with the other amendment in the name of Lord Callanan at page 155, line 6, amends the list of purposes of energy smart appliances about which regulations may be made so that it includes appliances for cleaning tableware and washing or drying textiles but not other cleaning appliances.

LORD CALLANAN

174 Clause 187, page 155, line 6, at end insert –

- “(ba) washing or drying textiles;”

Member's explanatory statement

See the explanatory statement to the other amendment in the name of Lord Callanan at page 155, line 6.

LORD CALLANAN

175 Clause 187, page 155, line 7, leave out paragraph (c) and insert –

- “(c) storing energy that –
- (i) was converted from electricity, and
 - (ii) is stored for the purpose of its future reconversion into electricity;”

Member's explanatory statement

This amendment amends the list referred to in the amendment in the name of Lord Callanan at page 155, line 6 so as to refer to electricity storage using language consistent with that used in clause 162 of the Bill.

LORD CALLANAN

176 Clause 187, page 155, line 8, leave out paragraph (d) and insert –

“(d) heating;”

Member's explanatory statement

This amendment amends the list referred to in the amendment in the name of Lord Callanan at page 155, line 6 to remove unnecessary words from the entry referring to heating.

BARONESS RANDEKSON

177 Clause 187, page 155, line 22, at end insert –

“(e) consumers are easily able to operate the smart appliances and use them at times of the day that are appropriate for their individual need and maximise their ability to utilise green energy.”

Member's explanatory statement

This amendment seeks to ensure that consumers are able to easily operate smart appliances and are not locked into using them at times that may not maximise their individual ability to utilise green energy.

LORD CALLANAN

178 Clause 187, page 155, line 30, at end insert –

“(ca) make provision about the recall of appliances to prevent, or in response to, non-compliance with the regulations;”

Member's explanatory statement

This amendment enables energy smart regulations to make provision about the recall of appliances.

LORD CALLANAN

179 Clause 187, page 155, line 30, at end insert –

“(cb) make provision for the Secretary of State to issue guidance about prohibitions or requirements imposed by or under the regulations;”

Member's explanatory statement

This amendment enables energy smart regulations to provide for the Secretary of State to issue guidance about prohibitions or requirements imposed by or under the regulations.

LORD CALLANAN

180 Clause 187, page 155, line 33, leave out “selling” and insert “supplying”

Member's explanatory statement

This amendment amends the list of persons on whom energy smart regulations may impose prohibitions or requirements so as to include persons who supply energy smart appliances by means including but not limited to selling them.

LORD TEVERSON

181★ Clause 187, page 155, line 34, at end insert –

“(5A) When making regulations under subsection (1), the Secretary of State must make a statement outlining how consumers will be able to derive the full system value of their energy smart appliances at the location where they are being used.”

Member's explanatory statement

This amendment would require the Secretary of State to explain how markets will be developed and implemented that allow efficient use of resources including at local level.

Clause 188

LORD CALLANAN

182 Clause 188, page 156, line 24, at end insert –

“(3A) The reference in subsection (3)(b)(ii) to electrical heating appliances includes a reference to heat pumps.”

Member's explanatory statement

This amendment glosses the definition of “relevant appliance” so as to clarify that heat pumps without the energy smart function, or that are not compatible with the energy smart function of another appliance, are relevant appliances about which provision by virtue of clause 187(4)(c) may be made.

Clause 189

LORD CALLANAN

183 Clause 189, page 156, line 41, at end insert –

“(iii) take specified steps to remedy non-compliance;”

Member's explanatory statement

This amendment enables energy smart regulations to make provision about steps that must be taken to remedy non-compliance (without an enforcement authority imposing a requirement under provision made by virtue of clause 189(5)).

LORD CALLANAN

184 Clause 189, page 156, line 41, at end insert –

“(ba) requiring persons to supply evidence of their compliance to enforcement authorities;”

Member's explanatory statement

This amendment enables energy smart regulations to make provision requiring persons to supply evidence of their compliance to enforcement authorities.

LORD CALLANAN

185 Clause 189, page 157, line 4, at end insert –

“(ea) conferring powers to enable the testing of energy smart appliances by enforcement authorities, including powers to require the provision of sample appliances and powers to make test purchases;”

Member's explanatory statement

This amendment enables energy smart regulations to confer the powers necessary to enable enforcement authorities to test energy smart appliances.

LORD CALLANAN

186 Clause 189, page 157, line 23, at end insert –

“(d) recall appliances to prevent, or in response to, non-compliance with energy smart regulations.”

Member's explanatory statement

This amendment enables energy smart regulations to allow enforcement authorities, by written notice, to require persons to recall energy smart appliances.

LORD CALLANAN

187 Clause 189, page 157, line 32, at end insert –

“(7A) Energy smart regulations may make provision to enable an enforcement authority to accept an enforcement undertaking from a person where the authority has reasonable grounds to suspect that the person has failed to comply with any prohibition or requirement imposed by or under the regulations.

(7B) An “enforcement undertaking” is an undertaking to take such action to secure compliance with the regulations as may be specified in the undertaking within such period as may be so specified.

(7C) Provision made by virtue of subsection (7A) must include provision that unless the person from whom the undertaking was accepted has failed to comply with the undertaking or any part of it –

- (a) that person may not at any time be convicted of an offence in respect of the act or omission to which the undertaking relates, and
 - (b) the enforcement authority may not impose on that person any penalty which it would otherwise have power to impose under the regulations.
- (7D) Provision made by virtue of subsection (7A) may include any provision of a kind mentioned in section 50(5) of the Regulatory Enforcement and Sanctions Act 2008.”

Member's explanatory statement

This amendment enables energy smart regulations to make provision enabling an enforcement authority to accept enforcement undertakings.

LORD CALLANAN

188 Clause 189, page 157, line 35, at end insert –

“(9) Energy smart regulations may provide for an enforcement authority to issue guidance about the enforcement of the regulations and the exercise by the authority of its functions under the regulations.”

Member's explanatory statement

This amendment enables energy smart regulations to provide for an enforcement authority to issue guidance about the enforcement of the regulations and about the exercise of its functions.

Clause 192

LORD CALLANAN

189 Clause 192, page 159, line 12, at end insert –

“(1A) Energy smart regulations may make provision about the sharing of information between an enforcement authority and the GEMA for the purposes of their functions in relation to energy smart appliances and load control.”

Member's explanatory statement

This amendment enables energy smart regulations to make provision to facilitate information sharing between any enforcement authority designated under the regulations and the Gas and Electricity Markets Authority (and vice versa).

Clause 196

LORD CALLANAN

190 Clause 196, page 162, line 23, leave out subsection (8)

Member's explanatory statement

This amendment omits a provision that is superseded by new clause (Section (Modifications of licences etc): supplementary).

Schedule 16

LORD CALLANAN

- 191 Schedule 16, page 315, line 11, after “enactment” insert “, including any enactment comprised in, or an instrument made under, an Act of the Scottish Parliament”

Member's explanatory statement

This amendment enables provision made by regulations under section 56FBA of the Electricity Act 1989 (inserted by the Bill) to include amendments to Acts of the Scottish Parliament and Scottish Statutory Instruments (which are not within the meaning of “enactment” given by the Interpretation Act 1978).

Before Clause 198

BARONESS HAYMAN
LORD WHITTY
BARONESS SHEEHAN
LORD BOURNE OF ABERYSTWYTH

- 192 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 198

LORD FOSTER OF BATH

193 After Clause 198, insert the following new Clause –

“Energy performance regulations relating to existing premises

- (1) Within six months of the passing of this Act the Secretary of State must by regulations require the Secretary of State to ensure that subject to subsection (2) –
- 5 (a) all domestic premises occupied by persons living in fuel poverty achieve at least EPC band C by 2030; and
- (b) all other domestic properties achieve at least EPC Band C by 2035 where practical, cost-effective and affordable.
- (2) The duty imposed by regulations made pursuant to subsection (1) does not apply to a domestic property where the following exemptions apply –
- 10 (a) an occupant or anyone else whose permission is needed for works needed be carried out has explicitly refused such permission; or
- (b) it is not technically feasible to fulfil the duty; or
- (c) the cost of carrying out works to fulfil the duty would exceed £20,000; or
- 15 (d) an earlier date is specified by section (*Privately rented properties*) in which case such earlier date applies.
- (3) The Secretary of State may by regulations add to or change the exemptions referred to in subsection (2).
- (4) The Secretary of State may by regulations define the terms “practical”, “cost-effective” and “affordable”.
- 20

Member's explanatory statement

This new clause requires the Secretary of State to ensure that all fuel poor households achieve EPC band C by 2030 and all other households by 2035 (with specified exemptions).

BARONESS BENNETT OF MANOR CASTLE

As an amendment to Amendment 193

194★ In subsection (1), leave out paragraph (a)

Member's explanatory statement

This is a probing amendment to seek an assessment of the possibility of an all-out national effort to improve domestic energy efficiency.

BARONESS BENNETT OF MANOR CASTLE

As an amendment to Amendment 193

195★ In subsection (1)(b), leave out “other”

Member's explanatory statement

This is a probing amendment to seek an assessment of the possibility of an all-out national effort to improve domestic energy efficiency.

LORD FOSTER OF BATH

196 After Clause 198, insert the following new Clause –

“Privately rented properties

- (1) Within six months of the passing of this Act the Secretary of State must amend the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (S.I. 2015/962) to require that, subject to subsection (2) –
 - (a) all new tenancies must have an energy efficiency performance of at least EPC Band C from 31 December 2025; and
 - (b) all existing tenancies must be at least EPC Band C from 31 December 2028 where practical, cost-effective and affordable as defined by the Secretary of State.
- (2) A landlord is exempt from the duty in subsection (1) to bring a property up to EPC Band C if they meet the criteria for an affordability exemption, as may be specified in regulations made by the Secretary of State.
- (3) The Secretary of State may, by notice in writing, direct a landlord to comply with this section.”

Member's explanatory statement

This new clause requires the Secretary of State to amend the existing regulations relating to privately tenanted properties so as to require all new tenancies to be EPC C by 31 December 2025 and existing tenancies to be EPC C by 31 December 2028.

LORD FOSTER OF BATH

197 After Clause 198, insert the following new Clause –

“Mortgage lenders

- (1) Within six months of the passing of this Act the Secretary of State must by regulations require all mortgage lenders to ensure that by 31 December 2030 the average energy performance level of their domestic portfolios is at least EPC Band C.
- (2) The Secretary of State may by regulations require mortgage lenders to provide the Secretary of State with information regarding the energy performance of properties in their portfolio.”

Member's explanatory statement

This new clause requires the Secretary of State to make regulations requiring all mortgage lenders to ensure by the end of December 2030 that the average energy performance of their portfolios is at least EPC band C.

LORD FOSTER OF BATH

198 After Clause 198, insert the following new Clause –

“Social housing

- (1) Within six months of the passing of this Act the Secretary of State must by regulations require all social landlords to ensure that a significant proportion of their residential properties are at least EPC Band C by 2030.
- (2) The regulations may specify what a “significant amount” is, and that different amounts may apply to different social landlords.
- (3) In this section “social landlord” means a local authority or a registered social landlord.”

Member's explanatory statement

This new clause requires the Secretary of State to make regulations requiring all social landlords to ensure that a significant proportion of their residential properties has an energy performance of at least EPC band C by 2030. It also enables the Secretary of State to define what is a 'significant proportion'.

After Clause 201

LORD CALLANAN

199 After Clause 201, insert the following new Clause –

“PART 9A

ENERGY SAVINGS OPPORTUNITY SCHEMES

Energy savings opportunity schemes

- (1) The Secretary of State may by regulations (“ESOS regulations”) make provision for the establishment and operation of one or more energy savings opportunity schemes.
- (2) An “energy savings opportunity scheme” is a scheme under which obligations are imposed on undertakings to which the scheme applies for one or more of the ESOS purposes.
- (3) The ESOS purposes are –
 - (a) enabling or requiring the energy consumption for which an undertaking is responsible, or the greenhouse gas emissions resulting from that consumption, to be assessed, audited, reported and published;
 - (b) enabling or requiring possible energy savings or emissions reductions to be identified and recommended;
 - (c) enabling or requiring the costs and benefits of possible energy savings or emissions reductions to be assessed;

- (d) encouraging or requiring undertakings to produce plans or set targets for achieving energy savings or emissions reductions;
 - (e) encouraging or requiring undertakings to take action for the purpose of achieving energy savings or emissions reductions;
 - (f) encouraging or requiring undertakings to achieve energy savings or emissions reductions.
- (4) An energy saving is a reduction in the energy consumption for which an undertaking is responsible.
- (5) An emissions reduction is a reduction in the greenhouse gas emissions that result from the energy consumption for which an undertaking is responsible (whether or not that consumption is also reduced).
- (6) ESOS regulations may make provision about determining –
- (a) the energy consumption for which an undertaking is responsible;
 - (b) the greenhouse gas emissions resulting from that consumption.
- (7) ESOS regulations may –
- (a) impose requirements on any person;
 - (b) confer functions on any person;
 - (c) provide for a person to exercise discretion in dealing with any matter.
- (8) The provision made by this Part is without prejudice to the generality of subsection (1).
- (9) For the purposes of this Part –
- (a) the scheme established by the Energy Savings Opportunity Scheme Regulations 2014 (S.I. 2014/1643) is to be treated as having been established by provision made under subsection (1);
 - (b) a reference to a scheme administrator includes a reference to a compliance body within the meaning given by those Regulations.”

Member's explanatory statement

This new clause is the first clause in a new Part 9A of the Bill (also containing the 12 other new clauses inserted after clause 201 by amendments in the name of Lord Callanan) making provision about Energy Savings Opportunity Schemes. The new clause gives the Secretary of State the power to make regulations about Energy Savings Opportunity Schemes.

LORD CALLANAN

200

After Clause 201, insert the following new Clause –

“Application of energy savings opportunity schemes

- (1) ESOS regulations may provide for –
- (a) an energy savings opportunity scheme to apply to specified descriptions of undertakings;
 - (b) specified descriptions of undertakings to be excluded from the application of the scheme.

- (2) ESOS regulations may make provision about circumstances in which—
 - (a) two or more participants are to be treated for the purposes of the regulations as if they were a single participant;
 - (b) an obligation imposed under the regulations on one participant is to be treated as if it had been imposed on a different participant.
- (3) The provisions of this Part relating to energy consumption apply to energy consumed by assets located, or activities carried on—
 - (a) wholly or partly in the United Kingdom;
 - (b) wholly or partly in an offshore area;
 - (c) where subsection (4) applies, elsewhere.
- (4) ESOS regulations may make provision about circumstances in which the energy consumption for which a participant is, for the purposes of the regulations, responsible may include energy consumed by—
 - (a) assets located elsewhere than in the United Kingdom or an offshore area, or
 - (b) activities carried on elsewhere than in the United Kingdom or an offshore area.
- (5) The provisions of this Part relating to greenhouse gas emissions apply to the emissions resulting from energy consumption to which this Part applies whether such emissions occur in the United Kingdom, in an offshore area or elsewhere.
- (6) ESOS regulations may make provision about the attribution of energy consumption to participants, including in particular provision about the treatment for the purposes of the regulations of—
 - (a) a participant’s consumption of energy generated by that participant;
 - (b) energy consumption by a person over whom a participant has control or influence;
 - (c) energy consumption shared between a participant and one or more other participants or other persons;
 - (d) energy consumed by assets held on trust by or for a participant.
- (7) In this section, “offshore area” means—
 - (a) waters landward of the seaward limit of the territorial sea adjacent to the United Kingdom,
 - (b) any designated area within the meaning of section 1(7) of the Continental Shelf Act 1964, and
 - (c) any area for the time being designated under section 41(3) of the Marine and Coastal Access Act 2009,and includes the places above those areas and the bed and subsoil of the sea within those areas.”

Member's explanatory statement

This new clause makes provision about the application of regulations made under the first of the new clauses in the name of Lord Callanan inserted after clause 201.

LORD CALLANAN

201 After Clause 201, insert the following new Clause –

“Requirement for assessment of energy consumption

- (1) ESOS regulations may require the carrying out of assessments of –
 - (a) a participant’s energy consumption;
 - (b) the greenhouse gas emissions resulting from that consumption.Such an assessment is referred to as an “ESOS assessment”.
- (2) The provision that may be made by virtue of subsection (1) includes in particular provision about –
 - (a) the frequency of ESOS assessments;
 - (b) the period or periods to which assessments must relate;
 - (c) how assessments are to be carried out;
 - (d) the information that must be provided or obtained for the purposes of an assessment;
 - (e) the matters that must be taken into account in an assessment;
 - (f) record-keeping in relation to an assessment.
- (3) ESOS regulations may make provision requiring an ESOS assessment, or specified parts of an ESOS assessment, to be carried out, approved or audited by a person appointed by a participant (referred to as “an assessor”).
- (4) Regulations made by virtue of subsection (1) may include provision enabling or requiring an ESOS assessment to include recommendations relating to energy savings or emissions reductions.
- (5) The provision that may be made by virtue of subsection (4) includes in particular provision about –
 - (a) the matters about which recommendations may, must, or must not be made;
 - (b) the matters that must be taken into account in making a recommendation;
 - (c) the carrying out of a cost-benefit analysis before including a recommendation in a report.
- (6) “Cost-benefit analysis”, in relation to a recommendation or requirement to take action, means –
 - (a) an estimate of the likely costs to a participant of acting in accordance with the recommendation or requirement;
 - (b) an estimate of the energy savings or emissions reductions likely to result from such action;
 - (c) an analysis of the costs referred to in paragraph (a) together with an analysis of the savings or reductions referred to in paragraph (b) and of any other benefits likely to arise.
- (7) ESOS regulations may make provision about the reporting of ESOS assessments, including in particular provision –
 - (a) about the production of written reports;

- (b) about the form and content of such reports;
 - (c) about the dissemination of such reports within an undertaking and between related undertakings.
- (8) ESOS regulations may make provision requiring a participant to notify a scheme administrator of specified matters relating to the participant's compliance with requirements imposed by virtue of this section and may in particular include provision –
- (a) about the procedure for giving such notice;
 - (b) about the form and content of notices;
 - (c) about the publication of certain information contained within a notice;
 - (d) requiring a participant to justify its choice of assessor.
- (9) ESOS regulations may provide for any requirement imposed by virtue of subsection (1) –
- (a) to be treated as having been complied with by a participant in specified circumstances, or
 - (b) not to apply to a participant in specified circumstances.”

Member's explanatory statement

This new clause enables regulations made under the first of the new clauses in the name of Lord Callanan inserted after clause 201 to make provision about the assessment of the energy consumption of participants in an energy savings opportunity scheme and of the greenhouse gas emissions resulting from that consumption.

LORD CALLANAN

202

After Clause 201, insert the following new Clause –

“Assessors

- (1) ESOS regulations may confer functions on an assessor in relation to assessing, monitoring and reporting on compliance with requirements imposed by the regulations.
- (2) ESOS regulations may provide that a participant may only appoint as an assessor a person of a specified description.
- (3) A description may be specified for the purposes of subsection (2) by reference to any criteria, including by reference to –
 - (a) a person's competence, qualifications or experience;
 - (b) a person's inclusion in a designated list or register;
 - (c) a person's membership of a designated body;
 - (d) a person's participation in an designated accreditation scheme;
 - (e) a person's relationship to a participant.
- (4) For the purposes of this section, “designated” means designated by the Secretary of State or a scheme administrator in accordance with ESOS regulations.

- (5) A body may only be designated for the purposes of this section if the body is willing to be so designated.
- (6) ESOS regulations may make provision about—
 - (a) the giving of designations for the purposes of subsection (4);
 - (b) reviewing such designations;
 - (c) circumstances in which such a designation may be removed;
 - (d) maintaining and publishing a list of such designations.
- (7) ESOS regulations may make provision enabling a list or register of persons who may, or who may not, be appointed as an assessor for the purposes of subsection (2) to be maintained by—
 - (a) a designated body;
 - (b) a scheme administrator;
 - (c) the Secretary of State.
- (8) ESOS regulations may confer functions or impose requirements on a person responsible for maintaining a designated list or register and may in particular include provision—
 - (a) about the process for including a person in a list or register;
 - (b) about the details to be included in a list or register;
 - (c) for ensuring those details remain up to date;
 - (d) about the publication of a list or register;
 - (e) for the purpose of ensuring that a person included in a list or register continues to meet the criteria for appointment as an assessor;
 - (f) for the purpose of ensuring the quality of ESOS assessments;
 - (g) about the temporary or permanent removal of a person from a list or register in specified circumstances.
- (9) The regulations may make provision authorising a scheme administrator to share reports, notices or other information relating to an energy savings opportunity scheme with a designated body for the purposes referred to in subsection (8)(e) or (f).
- (10) ESOS regulations may make provision—
 - (a) enabling the Secretary of State or a scheme administrator to give a direction relating to the maintenance of a list or register;
 - (b) requiring a person responsible for maintaining a list or register to comply with such a direction.”

Member's explanatory statement

This new clause enables regulations made under the first of the new clauses in the name of Lord Callanan inserted after clause 201 to make provision about the persons who may be required to carry out, approve or audit some or all of an assessment carried out for the purposes of an energy savings opportunity scheme; and about the maintenance of lists of persons who may be appointed for those purposes.

LORD CALLANAN

203 After Clause 201, insert the following new Clause –

“ESOS action plans

- (1) ESOS regulations may require participants to produce ESOS action plans.
- (2) An “ESOS action plan” is a written statement of –
 - (a) any action a participant proposes to take for the purpose of achieving energy savings or emissions reductions;
 - (b) any energy savings or emissions reductions targets a participant intends to achieve.
- (3) Where an ESOS action plan does not include any proposals for taking such action or any such targets, provision made by virtue of subsection (1) may require that a participant include an explanation in the plan.
- (4) ESOS regulations may make provision about the production of ESOS action plans, including in particular provision about –
 - (a) when a participant must produce a plan;
 - (b) the period to which a plan must relate;
 - (c) the form and content of a plan;
 - (d) the matters that must be taken into account in producing a plan.
- (5) ESOS regulations may make provision about the publication of ESOS action plans.”

Member's explanatory statement

This new clause enables regulations made under the first of the new clauses in the name of Lord Callanan inserted after clause 201 to make provision about action plans for achieving energy savings or emissions reductions.

LORD CALLANAN

204 After Clause 201, insert the following new Clause –

“Action to achieve energy savings or emissions reductions

- (1) ESOS regulations may make provision –
 - (a) imposing requirements (other than the requirements referred to in paragraph (b)) on participants so as to encourage them to –
 - (i) take specified action for the purpose of achieving energy savings or emissions reductions, or
 - (ii) achieve specified energy savings or emissions reductions, or
 - (b) requiring participants to –
 - (i) take specified action for the purpose of achieving energy savings or emissions reductions, or
 - (ii) achieve specified energy savings or emissions reductions.
- (2) The kinds of action that may be specified for the purposes of subsection (1) are –

- (a) taking action in accordance with a recommendation made in an ESOS assessment;
 - (b) taking action in accordance with an ESOS action plan;
 - (c) taking any other action of a specified kind;
 - (d) taking action to achieve a target included in an ESOS action plan;
 - (e) taking action to achieve any other specified outcome;
 - (f) adopting processes, practices or systems of a specified kind;
 - (g) conforming to specified standards.
- (3) The provision that may be made by virtue of subsection (1)(a) includes in particular –
- (a) provision requiring a participant to report –
 - (i) on whether the participant has taken the specified action, or on the steps taken by the participant towards doing so, or
 - (ii) on whether the participant has achieved the specified energy savings or emissions reductions, or on the progress made by the participant towards doing so;
 - (b) provision requiring a participant to provide an explanation for any of the matters mentioned in paragraph (a).
- (4) Provision made by virtue of subsection (1)(b) may include a requirement for a participant to report on action taken or energy savings or emissions reductions achieved.
- (5) Regulations made by virtue of subsection (1) may make provision –
- (a) requiring participants to produce and retain evidence;
 - (b) about the verification of matters about which the participant has reported;
 - (c) about the publication of reports.
- (6) ESOS regulations may –
- (a) specify the requirements imposed on a participant by virtue of subsection (1) by reference to a cost-benefit analysis;
 - (b) specify circumstances in which a participant is required to take action;
 - (c) impose a requirement to take a specified action on all participants in an energy savings opportunity scheme, or on all participants of a specified description.”

Member's explanatory statement

This new clause enables regulations made under the first of the new clauses in the name of Lord Callanan inserted after clause 201 to require, or to impose requirements to encourage, participants in an energy savings opportunity scheme to achieve energy savings or emissions reductions.

LORD CALLANAN

205 After Clause 201, insert the following new Clause –

“Scheme administration

- (1) ESOS regulations may appoint one or more public authorities to carry out functions with respect to –
 - (a) administering an energy savings opportunity scheme;
 - (b) monitoring compliance with, and enforcing requirements imposed by, the regulations.
- (2) A person appointed by virtue of subsection (1) is referred to as a “scheme administrator”.
- (3) The regulations may make provision for a scheme administrator to authorise another person to exercise specified functions of the scheme administrator.
- (4) Regulations made by virtue of subsection (1) may in particular include provision about –
 - (a) the obtaining of information by, and the provision of information to, a scheme administrator;
 - (b) the determination by a scheme administrator of information in default of its being provided;
 - (c) the auditing and verification of information;
 - (d) the keeping, production and inspection of records;
 - (e) the determination by a scheme administrator of whether an undertaking is a participant in an energy savings opportunity scheme;
 - (f) cooperation and information sharing between scheme administrators.
- (5) ESOS regulations may make provision imposing requirements on a participant relating to the provision of such facilities and services, including transport and accommodation, as may be necessary to facilitate the carrying out of any of the scheme administrator’s functions.
- (6) ESOS regulations may confer functions on a scheme administrator in relation to the publication of information relating to an energy savings opportunity scheme or its participants.
- (7) ESOS regulations may make provision –
 - (a) about the giving of guidance by a scheme administrator or the Secretary of State in connection with the operation of an energy savings opportunity scheme;
 - (b) requiring specified persons to have regard to such guidance.
- (8) ESOS regulations may make provision requiring the payment by participants to the scheme administrator of fees for or in connection with the carrying out by the scheme administrator of the scheme administrator’s functions.
- (9) ESOS regulations may confer a power on a national authority to require a scheme administrator to provide the authority with such information –

- (a) relating to an energy savings opportunity scheme, and
 - (b) relevant to the exercise of the authority's functions,
- as the authority requests.

(10) In this section –

“national authority” means –

- (a) the Secretary of State;
- (b) the Welsh Ministers;
- (c) the Scottish Ministers;
- (d) the Department for the Economy in Northern Ireland;

“public authority” means a person with functions of a public nature.”

Member's explanatory statement

This new clause enables regulations made under the first of the new clauses in the name of Lord Callanan inserted after clause 201 to make provision about the administration of energy savings opportunity schemes.

LORD CALLANAN

206

After Clause 201, insert the following new Clause –

“Enforcement, penalties and offences

- (1) ESOS regulations may authorise a scheme administrator –
 - (a) to require the production of documents or the provision of information by any person;
 - (b) to question the officers of an undertaking;
 - (c) to enter premises with a warrant;
 - (d) to inspect premises and anything on premises and when doing so –
 - (i) to take measurements, photographs, recordings or copies;
 - (ii) to seize documents or records;
 - (iii) to require any person at the premises to provide facilities and assistance to the extent that is within that person's control;
 - (e) to issue a notice requiring a participant to take steps specified in the notice for the purpose of –
 - (i) demonstrating compliance with requirements imposed by or under ESOS regulations, or
 - (ii) remedying a failure to comply with such requirements.
- (2) ESOS regulations may make provision requiring a participant to give notice to a scheme administrator where the participant is unlikely to comply, or has failed to comply, with a requirement imposed by or under the regulations.
- (3) ESOS regulations may provide that a person is liable to one or more penalties in respect of –
 - (a) a failure to comply with a requirement imposed on the person by or under the regulations;

- (b) making a false or misleading statement in connection with an energy savings opportunity scheme.
- (4) The provision that may be made by virtue of subsection (3) includes provision—
 - (a) for the publication of specified information relating to the failure to comply;
 - (b) authorising a scheme administrator to impose a financial penalty.
- (5) Where by virtue of subsection (3) ESOS regulations provide for the imposition of a financial penalty, the regulations—
 - (a) must provide for the penalty to be paid to the scheme administrator or such other person as the regulations may specify;
 - (b) may specify the amount of the penalty or provide for the amount to be determined by the scheme administrator in accordance with the regulations;
 - (c) may provide for the payment of a further penalty (of an amount specified by or determined in accordance with the regulations) for each day on which the failure to comply is not remedied;
 - (d) may specify how the penalty may be recovered.
- (6) ESOS regulations may create offences relating to energy savings opportunity schemes.
- (7) Regulations made by virtue of subsection (6) may provide for an offence created by the regulations to be triable—
 - (a) only summarily, or
 - (b) either summarily or on indictment.
- (8) Regulations made by virtue of subsection (6) may provide for an offence created by the regulations to be punishable with a fine.
- (9) Regulations may—
 - (a) provide for defences against offences;
 - (b) make provision about matters of procedure and evidence in proceedings relating to offences;
 - (c) include provision about the liability of a director, manager, secretary or other officer of a body corporate, or a partner of a Scottish partnership, or of a person purporting to act in such a capacity, where an offence under the regulations—
 - (i) is committed with the consent or connivance of such a person, or
 - (ii) is attributable to neglect on the part of such a person.
- (10) References in this section to a scheme administrator include references to a person authorised by a scheme administrator in accordance with provision in ESOS regulations made by virtue of section (*Scheme administration*)(3).”

Member's explanatory statement

This new clause enables regulations made under the first of the new clauses in the name of Lord Callanan inserted after clause 201 to make provision for the enforcement of those regulations.

LORD CALLANAN

207 After Clause 201, insert the following new Clause –

“Appeals

- (1) ESOS regulations may confer rights of appeal against –
 - (a) decisions made in relation to an energy savings opportunity scheme, and
 - (b) penalties imposed or enforcement action taken for failure to comply with the requirements of the regulations.
- (2) The regulations must specify the court, tribunal or person who is to hear and determine an appeal.
- (3) The provision that may be made by virtue of subsection (1) includes, in particular, provision about –
 - (a) the grounds on which an appeal may be made;
 - (b) the procedure for making an appeal (including any fee which may be payable);
 - (c) suspending the effect of any decision, penalty or enforcement action pending determination of the appeal;
 - (d) the powers of the court, tribunal or person to which an appeal is made.”

Member's explanatory statement

This new clause enables regulations made under the first of the new clauses in the name of Lord Callanan inserted after clause 201 to make provision about appeals.

LORD CALLANAN

208 After Clause 201, insert the following new Clause –

“ESOS regulations: procedure etc

- (1) Before making ESOS regulations, the Secretary of State must consult –
 - (a) such persons likely to be affected by the regulations as the Secretary of State considers appropriate;
 - (b) to the extent that the regulations contain provision within Welsh devolved competence, the Welsh Ministers;
 - (c) to the extent that the regulations contain provision within Scottish devolved competence, the Scottish Ministers;
 - (d) to the extent that the regulations contain provision within Northern Ireland devolved competence, the Department for the Economy in Northern Ireland.
- (2) Subsection (1) may be satisfied by consultation before this section comes into force (as well as by consultation after that time).
- (3) ESOS regulations may make consequential provision including provision amending or repealing primary legislation.

- (4) ESOS regulations may create exceptions to any requirement imposed by the regulations.
- (5) ESOS regulations may –
 - (a) make provision about application to the Crown;
 - (b) to the extent that they bind the Crown, restrict or modify the application of the regulations.
- (6) ESOS regulations containing any of the following (with or without other provision) are subject to the affirmative procedure –
 - (a) provision extending the descriptions of undertaking to which the regulations apply;
 - (b) provision made by virtue of section (*Action to achieve energy savings or emissions reductions*)(1)(b) of a kind not previously provided for in ESOS regulations;
 - (c) provision conferring on a scheme administrator enforcement powers of a kind not previously provided for in ESOS regulations;
 - (d) provision creating penalties;
 - (e) provision increasing the amount of financial penalties by more than is necessary to reflect changes in the value of money;
 - (f) provision creating an offence or increasing the fine for an existing offence;
 - (g) provision for the payment of a new fee;
 - (h) provision amending or repealing primary legislation.
- (7) Any other ESOS regulations are subject to the negative procedure.
- (8) In this section, “primary legislation” means –
 - (a) an Act,
 - (b) an Act of the Scottish Parliament,
 - (c) a Measure or Act of Senedd Cymru, or
 - (d) Northern Ireland legislation.”

Member's explanatory statement

This new clause makes provision about the procedure for making regulations about Energy Savings Opportunity Schemes under the first of the new clauses in the name of Lord Callanan inserted after clause 201.

LORD CALLANAN

209

After Clause 201, insert the following new Clause –

“Directions to scheme administrators

- (1) The Secretary of State may give directions to a scheme administrator.
- (2) The power to give directions under this section includes a power to vary or revoke the directions.

- (3) A scheme administrator must comply with any direction given to it under this section.”

Member's explanatory statement

This new clause enables the Secretary of State to give directions to a scheme administrator under an Energy Savings Opportunity Scheme.

LORD CALLANAN

210 After Clause 201, insert the following new Clause –

“Financial assistance to scheme administrators and participants

- (1) The Secretary of State may give, or arrange for the giving of, financial assistance to –
- (a) scheme administrators;
 - (b) participants.
- (2) “Financial assistance” means grants, loans, guarantees or indemnities, or any other kind of financial assistance.
- (3) Financial assistance under this section may be given subject to such conditions as may be determined by, or in accordance with arrangements made by, the Secretary of State.”

Member's explanatory statement

This new clause enables the Secretary of State to provide financial assistance to scheme administrators under, and participants in, an Energy Savings Opportunity Scheme.

LORD CALLANAN

211 After Clause 201, insert the following new Clause –

“Interpretation

- (1) In this Part –
- “assessor” has the meaning given by section (*Requirement for assessment of energy consumption*)(3);
 - “cost benefit analysis” has the meaning given by section (*Requirement for assessment of energy consumption*)(6);
 - “emissions reduction” has the meaning given by section (*Energy savings opportunity schemes*)(5);
 - “energy consumption” has the meaning given by ESOS regulations;
 - “energy saving” has the meaning given by section (*Energy savings opportunity schemes*)(4);
 - “energy savings opportunity scheme” has the meaning given by section (*Energy savings opportunity schemes*)(2);
 - “ESOS action plan” has the meaning given by section (*ESOS action plans*)(2);

“ESOS assessment” has the meaning given by section (*Requirement for assessment of energy consumption*)(1);

“ESOS regulations” means regulations made under section (*Energy savings opportunity schemes*)(1);

“greenhouse gas” has the meaning given by section 92 of the Climate Change Act 2008;

“participant” means an undertaking to which an energy savings opportunity scheme applies;

“related undertaking”, in relation to a participant, means a fellow subsidiary undertaking of, or a group undertaking in relation to, that participant;

“scheme administrator” has the meaning given by section (*Scheme administration*)(2);

“specified” means specified in ESOS regulations;

“undertaking”, “group undertaking” and “fellow subsidiary undertaking” have the meanings given by section 1161 of the Companies Act 2006.

(2) For the purposes of this Part, provision—

- (a) is within Welsh devolved competence if it would be within the legislative competence of Senedd Cymru if it were contained in an Act of the Senedd (ignoring any requirement for the consent of a Minister of the Crown imposed under Schedule 7B to the Government of Wales Act 2006);
- (b) is within Scottish devolved competence if it would be within the legislative competence of the Scottish Parliament if it were contained in an Act of that Parliament;
- (c) is within Northern Ireland devolved competence if that provision—
 - (i) would be within the legislative competence of the Northern Ireland Assembly if it were contained in an Act of that Assembly, and
 - (ii) would not, if it were contained in a Bill in the Northern Ireland Assembly, result in the Bill requiring the consent of the Secretary of State under section 8 of the Northern Ireland Act 1998.”

Member's explanatory statement

This new clause makes provision about the interpretation of the new clauses in the name of Lord Callanan to be inserted as a new Part 9A after clause 201.

LORD FOSTER OF BATH

212★ After Clause 201, insert the following new Clause—

“Display Energy Certificates

- (1) The Secretary of State must collect data to identify public buildings which require a Display Energy Certificate (a “DEC”) under the Energy Performance of Buildings (England and Wales) Regulations 2012 (S.I. 2012/3118).
- (2) Information collected under subsection (1) must identify—
 - (a) those buildings that have and display a DEC; and
 - (b) those buildings that do not have or display a DEC.

- (3) The Secretary of State must publish the data collected pursuant to subsections (1) and (2) annually in a report to Parliament.”

Member's explanatory statement

This new Clause requires the Secretary of State to collect and publish a list of those public buildings that hold and display DEC's and those that do not.

Clause 203

BARONESS WORTHINGTON

- 213★** Clause 203, page 166, line 29, after “storing” insert “gas,”

BARONESS WORTHINGTON

- 214★** Clause 203, page 166, line 30, after “handling” insert “gas,”

BARONESS WORTHINGTON

- 215★** Clause 203, page 166, line 31, after “of” insert “gas,”

BARONESS WORTHINGTON

- 216★** Clause 203, page 166, line 32, after “transporting” insert “gas,”

BARONESS WORTHINGTON

- 217★** Clause 203, page 166, line 33, after “conveying” insert “gas,”

BARONESS WORTHINGTON

- 218★** Clause 203, page 166, line 34, after “producing” insert “gas,”

BARONESS WORTHINGTON

- 219★** Clause 203, page 167, line 3, at end insert –

“(c) gas.”

Clause 222

BARONESS WORTHINGTON

220★ Clause 222, page 182, line 4, leave out paragraph (a)***Member's explanatory statement***

This amendment removes the power for the Secretary of State to make grants on behalf of firms involved in refining, transport and storage of oil and biofuels.

BARONESS WORTHINGTON

221★ Clause 222, page 182, line 10, leave out paragraph (f)***Member's explanatory statement***

This amendment removes the power for the Secretary of State to incur expenditure on behalf of firms involved in refining, transport and storage of oil and biofuels.

BARONESS WORTHINGTON

222★ Clause 222, page 182, line 16, at end insert –

“(6) As soon as is reasonably practicable the Secretary of State must lay before Parliament information on the purpose, amount, recipient and terms of financial assistance provided.”

Member's explanatory statement

This amendment imposes a duty on the Secretary of State to update Parliament on other forms of financial assistance provided to firms involved in refining, transport and storage of oil and biofuels.

After Clause 229

LORD TEVERSON

223 After Clause 229, insert the following new Clause –**“Prohibition on hydraulic fracturing**

- (1) Associated hydraulic fracturing is prohibited.
- (2) “Associated hydraulic fracturing” has the meaning given by section 4B of the Petroleum Act 1998.
- (3) The Secretary of State may by regulations make consequential provision in connection with this section.”

Member's explanatory statement

This amendment would introduce a permanent ban on fracking.

LORD MOYLAN
LORD WEST OF SPITHEAD
BARONESS NEVILLE-ROLFE
LORD FROST

224 After Clause 229, insert the following new Clause –

“Requirement for strategy to increase domestic gas production

Within six months of the day on which this Act is passed, the Secretary of State must produce a strategy for increasing domestic gas production so as to reduce dependence on foreign supplies to less than 25% of domestic consumption from 2025 and each year thereafter.”

Member's explanatory statement

This amendment requires the Government to produce a strategy for increasing domestic gas production so as to reduce dependency on foreign supplies.

LORD MOYLAN
LORD WEST OF SPITHEAD
LORD FROST
BARONESS MCINTOSH OF PICKERING

225 After Clause 229, insert the following new Clause –

“Requirement for strategy for gas storage facilities

Within six months of the day on which this Act is passed, the Secretary of State must produce a strategy for the construction and operation of gas storage facilities physically located within Great Britain that are capable of holding 25% of forecast domestic consumption each year beyond 2025.”

Member's explanatory statement

This amendment requires the Government to produce a strategy for the storage of gas for domestic consumption.

LORD LILLEY
LORD MOYLAN

226 After Clause 229, insert the following new Clause –

“Noise and vibration standards for hydraulic fracturing

After section 4A(8) of the Petroleum Act 1988 insert the following new subsections–

“(9) Any consent granted to a licensee may only impose conditions relating to noise and vibration to the extent required to ensure compliance with BS 5228 as published (and not withdrawn) from time to time by the British Standards Institution.

(10) In subsection (9) a consent includes–

- (a) a well consent;
 - (b) a hydraulic fracturing consent;
 - (c) an environmental permit; and
 - (d) a relevant planning permission.
- (11) The respective powers of the Secretary of State and the Welsh Ministers to make regulations under this Part are subject to subsection (9).”

Member's explanatory statement

This amendment would prevent the Secretary of State from adding noise and vibration conditions to an hydraulic fracturing consent or associated permissions more restrictive than the relevant British Standard requires.

BARONESS BENNETT OF MANOR CASTLE

227★ After Clause 229, 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.”

Clause 230

BARONESS BENNETT OF MANOR CASTLE

Baroness Bennett of Manor Castle gives notice of her intention to oppose the Question that Clause 230 stand part of the Bill.

Member's explanatory statement

This is probing and seeks to establish Government's intentions in inserting this Clause.

After Clause 237

LORD TEVERSON

228 After Clause 237, insert the following new Clause –

“Net Zero duty

(1) In section 4AA of the Gas Act 1986, after subsection (1) insert –

- “(1ZA) In exercising its functions in relation to the principal objective the Authority has a duty to assist the delivery of greenhouse gas emissions targets as set out in the Climate Change Act 2008.”

(2) In section 3A of the Electricity Act 1989, after subsection (1) insert –

“(1ZA) In exercising its functions in relation to the principal objective the Authority has a duty to assist the delivery of greenhouse gas emissions targets as set out in the Climate Change Act 2008.”

Member's explanatory statement

This amendment would place on the Gas and Electricity Markets Authority a duty to assist in the delivery of Net Zero.

LORD TEVERSON
BARONESS HAYMAN

229 After Clause 237, insert the following new Clause –

“Onshore wind power

- (1) Within six months of the day on which this Act is passed, the Secretary of State must prepare a plan to increase significantly the proportion of the energy supply generated by onshore wind power in the United Kingdom, and lay the plan before Parliament.
- (2) The plan must set out measures which the Secretary of State wishes to pursue which may include but are not limited to –
 - (a) revising national planning guidance on onshore wind to increase the number of onshore wind installations,
 - (b) improving infrastructure to ensure access to grid connections for existing onshore wind installations, and
 - (c) increasing access to grants or subsidies to encourage new onshore wind installations.
- (3) The Secretary of State must report annually to Parliament to provide an update on the progress in increasing onshore wind power.”

Member's explanatory statement

This amendment would require the Secretary of State to take steps to significantly increase the proportion of the UK energy supply generated by onshore wind power.

LORD MOYLAN
LORD WEST OF SPITHEAD
BARONESS NEVILLE-ROLFE
LORD FROST

230 After Clause 237, insert the following new Clause –

“Composition of domestic gas supply

Within six months of the day on which this Act is passed, the Secretary of State must lay a statement before Parliament on the question of whether the Gas Safety

(Management) Regulations 1996 (S.I. 1996/551) can be safely amended to allow more efficient use of extracted natural gas.”

Member's explanatory statement

This amendment probes the Government's willingness to vary the composition of the domestic gas supply safely so as to make more efficient use of extracted natural gas.

LORD MOYLAN

231 After Clause 237, insert the following new Clause –

“Wholesale electricity pricing for carbon and non-carbon-based sources

Within six months of the day on which this Act is passed, the Secretary of State must lay a report before Parliament on proposals for amending the Energy Act 2004 and subsidiary legislation and arrangements so as to create separate wholesale pricing pools for carbon-based and non-carbon-based sources of electricity.”

Member's explanatory statement

This amendment probes the Government's intentions regarding altering the current system of pricing wholesale electricity based on the marginal cost of the last (and therefore most expensive) source of supply to be called on.

LORD TEVERSON
BARONESS BENNETT OF MANOR CASTLE

232 After Clause 237, insert the following new Clause –

“Prohibition of new coal mines

Within six months of the day on which this Act is passed, the Secretary of State must by regulations prohibit the opening of new coal mines and the licensing of new coal mines by the Coal Authority or its successors, where the purpose of the mines is to provide coal for energy production.”

Member's explanatory statement

This amendment will prevent the opening of new coal mines in the England, where their purpose is to produce coal for energy production.

LORD TEVERSON

233 After Clause 237, insert the following new Clause –

“Carbon reduction

Within six months of the day on which this Act is passed the Secretary of State must introduce measures to reduce the carbon intensity of power supplied by the capacity market by prioritising –

- (a) demand side management,
- (b) the supply of renewable energy,

- (c) electricity storage and other non-carbon based energy storage systems.”

Member's explanatory statement

This is a probing amendment to explore the potential of decarbonising the capacity market.

LORD BRUCE OF BENNACHIE

234 After Clause 237, insert the following new Clause –

“Energy Efficiency Commission

- (1) Within six months of the date on which this Act is passed the Secretary of State must establish an Energy Efficiency Commission.
- (2) The role of the Energy Efficiency Commission is to advise on targets and timetables for effective ways of using energy more efficiently and conserving energy across –
 - (a) generators,
 - (b) industry,
 - (c) commercial developers and real estate managers,
 - (d) households,
 - (e) transport agencies, and
 - (f) any other relevant sectors,to ensure minimal wastage of energy, improved conservation and best practice towards achieving net zero.
- (3) The Energy Efficiency Commission must also advise the Secretary of State on targets set in relation to energy storage.”

Member's explanatory statement

This amendment would seek to establish an Energy Efficiency Commission to advise on targets and timetables for effective ways of using energy more efficiently.

LORD BRUCE OF BENNACHIE

235 After Clause 237, insert the following new Clause –

“Energy storage targets

- (1) Within six months of the day on which this Act is passed the Secretary of State must introduce energy storage targets.
- (2) The objective of the targets outlined in subsection (1) is to even out fluctuations in demand and generation supply, in particular from wind, solar, wave and tidal generation.
- (3) In setting the energy storage targets the Secretary of State must consult –
 - (a) generators,
 - (b) distributors, and

- (c) any other relevant bodies with responsibility for advising on energy storage targets.”

Member's explanatory statement

This amendment would require the Secretary of State to set energy storage targets to even out fluctuations in demand and generation supply.

LORD TEVERSON
LORD OATES

236 After Clause 237, insert the following new Clause –

“Repeal of the Nuclear Energy (Financing) Act 2022

The Nuclear Energy (Financing) Act 2022 is repealed.”

Member's explanatory statement

This amendment would repeal the Nuclear Energy (Financing) Act 2022 which places a charge on consumer energy bills for the financing of nuclear energy generation projects.

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

237 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

238

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 or 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 supplier 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 MCINTOSH OF PICKERING

239★ After Clause 237, insert the following new Clause –

“Household waste

- (1) Within 12 months of the passing of this Act, the Secretary of State must by regulations make provision to encourage the use of household waste as fuel for energy.
- (2) The regulations must ensure that energy created by such waste is used primarily by local communities where it is created.
- (3) Regulations under this section are subject to the affirmative procedure.”

LORD FOSTER OF BATH

240★ After Clause 237, insert the following new Clause –

“Value added tax on energy-saving materials

In note 1 of Group 23 of Part 2 of Schedule 8 to the Value Added Tax Act 1994 (meaning of “energy-saving materials”), at the end insert –

- “(1) batteries used solely for the purpose of storing electricity generated by solar panels.””

Member's explanatory statement

This new Clause includes batteries used solely to store energy generated by solar panels in the list of energy saving materials subject to a zero VAT rate.

LORD RAVENSDALE

241★ After Clause 237, insert the following new Clause –

“Renewable transport fuel obligations: nuclear energy

In section 132(4) of the Energy Act 2004, in the definition of "renewable source", after "the sun," insert "nuclear,".

Member's explanatory statement

This amendment is to make nuclear energy an eligible energy source for Renewable Transport Fuel Obligation (RTFO) support.

LORD RAVENSDALE
BARONESS WORTHINGTON

242★ After Clause 237, insert the following new Clause –

“National electrification and power plan

- (1) Part 1 of the Energy Act 2013 is amended as follows.
- (2) In each place it appears, for “decarbonisation” substitute “decarbonisation and electrification”.
- (3) In section 1 (decarbonisation target range) –
 - (a) in subsection (1) after “level” insert “, and the proportion of primary energy consumption which consists of electricity generation in the UK is no less than the minimum permitted level,”;
 - (b) in subsection (2)–
 - (i) for “may” substitute “must”, and
 - (ii) for “a year” substitute “each year” ;
 - (c) in subsection (3) after “generation” add “and a range for the proportion of primary energy consumption which consists of electricity generation”;
 - (d) in subsection (5)–
 - (i) for “may” substitute “must”, and
 - (ii) in each place it appears, for “2030” substitute “2023”.
- (4) In section 2 (matters to be taken into account), after subsection (2)(b) insert –

“(ba) the opportunities to improve energy efficiency in respect of economic activities through the substitution of low-carbon electricity for other primary energy sources;”.
- (5) In section 3 (further duties of the Secretary of State) –
 - (a) after subsection (1) insert –

“(1A) The report required by subsection (1) must also publicly report on –

 - (a) the expected volumes of installed capacity and energy produced by electricity energy source for each calendar year to 2035, and
 - (b) the expected proportion of primary energy consumption consisting of electricity generation in the UK for each calendar year to 2035.”;
 - (b) in subsection (6)(a) after “level” insert “, and the proportion of primary energy consumption which consists of electricity generation in the UK is no less than the minimum permitted level,”;
 - (c) in subsection (6)(b) after “level” insert “, or the proportion of primary energy consumption which consists of electricity generation in the UK was lower than the minimum permitted level,”.

Clause 241

LORD CALLANAN

243 Clause 241, page 204, line 22, after “Parts” insert “9A,”

Member's explanatory statement

This amendment provides that the new clauses in the name of Lord Callanan, to be inserted as a new Part after clause 201, extend to England, and Wales, Scotland and Northern Ireland.

Clause 242

LORD CALLANAN

244 Clause 242, page 205, line 11, at end insert –

“(ba) Part 9A, except sections (*Directions to scheme administrators*) and (*Financial assistance to scheme administrators and participants*);”

Member's explanatory statement

This amendment provides that the new clauses in the name of Lord Callanan which contain provision about ESOS regulations (but not those making provision about directions or financial assistance) come into force on the day on which this Bill is passed.

BARONESS BLAKE OF LEEDS
LORD LENNIE

245 Clause 242, page 205, line 15, at end insert –

“(za) Part A1;”

LORD CALLANAN

246 Clause 242, page 205, line 22, at end insert –

“(ga) sections (*Directions to scheme administrators*) and (*Financial assistance to scheme administrators and participants*);”

Member's explanatory statement

This amendment provides that the new clauses in the name of Lord Callanan which make provision about giving directions and financial assistance in relation to Energy Savings Opportunity Schemes come into force at the end of the period of 2 months beginning with the day on which this Bill is passed.

Title

LORD CALLANAN

247 In the Title, line 8, after “premises;” insert “about energy savings opportunity schemes;”

Member's explanatory statement

This amendment amends the long title to insert reference to the new clauses in the name of Lord Callanan to be inserted as a new Part 9A after clause 201.

Energy Bill [HL]

MARSHALLED
LIST OF AMENDMENTS
TO BE MOVED
IN COMMITTEE OF THE WHOLE HOUSE

1 September 2022

PUBLISHED BY AUTHORITY OF THE HOUSE OF LORDS