

# Energy Bill [HL]

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AMENDMENTS  
TO BE MOVED  
IN GRAND COMMITTEE

*[Supplementary to the Third Marshalled List]*

Amendment  
No.

**After Clause 113**

LORD LENNIE  
BARONESS BLAKE OF LEEDS

**133A★** After Clause 113, insert the following new Clause—

**“Assurance of independence of system and distribution operators**

- (1) In order to ensure the independence of transmission and distribution system operators, the Secretary of State must appoint a supervisory and advisory board to assist the person designated as the ISOP under section 113.
- (2) For the supervision of the ISOP, the Secretary of State must appoint a board of at least 8 suitably qualified independent energy figures.
- (3) Energy UK and the Energy Networks Association must be consulted on the appointment of the board.
- (4) The Secretary of State may make provision of financial assistance to enable the supervisory and advisory boards to carry out their functions.”

*Member's explanatory statement*

*This amendment aims to ensure the independence of system and distribution operators.*

**After Clause 116**

LORD LENNIE  
BARONESS BLAKE OF LEEDS

**146A★** After Clause 116, insert the following new Clause—

**“Duty of collaboration on matters relating to transmission and distribution grids**

There shall be a duty of collaboration on all matters relating to transmission and distribution grids between the ISOP and the licensed distribution system operators.”

***Member's explanatory statement***

*This new clause would create a duty of collaboration between the ISOP and licensed distribution system operators*

**Clause 153**

LORD LENNIE  
BARONESS BLAKE OF LEEDS

**149A★** Clause 153, page 127, line 20, at end insert –

- “(2) Strategic transmission network projects that are –
- (a) identified in the Electricity networks strategic framework,
  - (b) built ahead of need whilst long term good value for money, and
  - (c) in the opinion of the Secretary of State essential to support renewable and energy security objectives,
- are not subject to the competitive tender process.”

***Member's explanatory statement***

*The fact sheet accompanying the Bill states that the Government are proposing to exempt ‘upfront certain strategic transmission network projects’ from the competitive tender process for electricity. However, there is not any government guidance on what will be exempt and how. This amendment seeks to put this into legislation.*

**Clause 164**

LORD LENNIE  
BARONESS BLAKE OF LEEDS

**160A★** Clause 164, page 139, line 14, at end insert –

- “(5) Within six months from the date of the provisions of this section coming into force, the Secretary of State must produce and lay before Parliament a report setting out options for securing a guaranteed roll out of smart meters to at least 70% of coverage in all regions and nations of the UK by 2025.
- (6) The report must consider among other options –
- (a) mandation of smart meter installation;
  - (b) transfer of responsibility for smart meter roll out to Distribution Network Operators; and
  - (c) date limited phase out of non-smart meters.”

***Member's explanatory statement***

*The Bill extends the time frame (for the third time) by which the smart meter roll out can be completed. This amendment suggests that the Government report should be aiming for at least 70% coverage in all regions and nations of the UK by 2025 and proposes policy options to meet the target.*

**After Clause 227**

BARONESS SHEEHAN

**222A★** After Clause 227, insert the following new Clause –**“Transparency of decommissioning costs**

- (1) The Secretary of State must publish, within 6 months of this Act coming into force and not less than every 3 years thereafter, a statement on decommissioning offshore installations that includes –
  - (a) a list of decommissioning relief agreements in force and the qualifying companies which are parties to each agreement,
  - (b) the estimated likely range of the total future amount of tax relief to be granted in respect of any decommissioning expenditure under existing decommissioning relief agreements under –
    - (i) current oil, gas and decommissioning prices, and
    - (ii) expected future oil, gas and decommissioning prices, in current prices and as a proportion of tax revenue paid by qualifying companies which are parties to those agreements;
  - (c) an assessment of how the estimates under paragraph (b) would be affected by world oil and gas prices equal to the lowest cost of global oil and gas production.
- (2) In this section –

“decommissioning relief agreement” and “qualifying company” have the meanings given in section 80 of the Finance Act 2013;

“offshore installation” has the meaning given in section 44 of the Petroleum Act 1998.”

***Member's explanatory statement***

*This amendment is intended to bring greater transparency to the future taxpayer liability in respect of decommissioning relief agreements.*

**After Clause 237**LORD LENNIE  
BARONESS BLAKE OF LEEDS**242E★** After Clause 237, insert the following new Clause –**“Environmental and net zero remit for GEMA**

Within six months after the passing of this Act, the Secretary of State must designate a statement as the strategy and policy statement according to the provisions of Part 5 of the Energy Act 2013 which gives GEMA a mandate for considering the role of energy in supporting the Government policy of achieving net zero.”

**Member's explanatory statement**

*This amendment would require the Secretary of State to designate a statement giving Ofgem a mandate for considering the role of energy in supporting Government policy of achieving net zero.*

LORD LENNIE  
BARONESS BLAKE OF LEEDS

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

**“PART 12A**

COMMUNITY ENERGY

**Community Electricity export guarantee**

- (1) Within 6 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 generating low carbon electricity with a capacity below 5MW, including community energy groups.
- (2) Licensed energy suppliers with fewer than 150,000 customers may also offer to purchase electricity exports from exporting sites below 5MW, including community owned energy groups 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 OFGEM,
  - (b) offer a minimum contract period of 5 years, and
  - (c) allow the exporting site to end the contract after no more than 1 year.
- (4) To access the export purchase agreements defined in this section exporters, including community energy groups, must –
  - (a) register their site with OFGEM, and
  - (b) install a smart export meter that meets specifications defined by OFGEM.
- (5) Within 6 months of the passing of this Act, OFGEM 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 requirements for an exporting site of less than 5MW to be registered as a Community Energy site.
- (6) Fossil fuelled local power plants with a capacity of less than 5MW shall not be eligible for participation in the Community Electricity export guarantee, with the exception of local combined heat and power plant that generates electricity ancillary to its purposes of providing heat for local heat networks.

- (7) “Fossil fuel” has the meaning set out in section 98(4).
- (8) All licensed suppliers providing such purchase agreements must report annually to OFGEM—
  - (a) the number and capacity of community energy groups who 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.
- (9) OFGEM must make and publish a report annually on the operation of the export purchase agreements, setting out—
  - (a) the number of community projects contracted with licensed energy suppliers under this section and the total amount of electricity purchased,
  - (b) the licensed suppliers contracting with community groups 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 of how the mechanism could be improved.
- (10) Regulations under this section are subject to the affirmative procedure.”

LORD LENNIE  
BARONESS BLAKE OF LEEDS

**242G★** After Clause 237, insert the following new Clause—

**“Community Electricity Supplier Services Scheme**

- (1) Within 6 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 exporting site registered as a Community Energy site and contracting with a licensed supplier under section (*Community Electricity export guarantee*) 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 to that site.
- (3) The eligible licensed supplier will be the registrant for the meters of any local consumer purchasing energy under the community tariff.
- (4) Eligible licensed suppliers may charge a reasonable fee for the provision of services under this section provided that it has regard to distribution, licensing and regulatory costs and any guidance provided by OFGEM.
- (5) Eligible licensed suppliers must report annually to OFGEM 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.
- (6) OFGEM must –
- (a) produce guidance on reasonable charges that eligible suppliers may charge for Community Electricity Service agreements, and
  - (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.
- (7) Regulations under this section are subject to the affirmative procedure.”

***Member's explanatory statement***

*This new clause and another in the name of Lord Lennie sets up a Community Electricity export guarantee programme.*



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*9 December 2022*

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