

Energy Bill [HL]

AMENDMENTS
TO BE MOVED
ON REPORT

After Clause 264

BARONESS BOYCOTT
BARONESS BENNETT OF MANOR CASTLE

After Clause 264, insert the following new Clause –

“Community and Smaller-scale 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 to those sites a minimum export price set annually by the Gas and Electricity Markets Authority (“GEMA”),
 - (b) offer to those sites 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 for those sites 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 meeting the requirements set out in subsection (1) and 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 includes renewable generation technology and may include other technology with extremely low carbon dioxide emissions,
 - (e) define requirements for an exporting site generating low carbon electricity with a capacity of less than 5MW to be registered as a Community or Smaller-scale 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 or Smaller-scale Energy site.
- (6) All licensed suppliers providing such purchase agreements must report annually to GEMA –
 - (a) the number and capacity of Community or Smaller-scale 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 or Smaller-scale Energy sites contracted with licensed energy suppliers under this section and the total amount of electricity purchased,
 - (b) the licensed suppliers contracting with Community or Smaller-scale 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.
- (8) Regulations under this section are subject to the affirmative procedure.”

Member's explanatory statement

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

BARONESS BOYCOTT
BARONESS BENNETT OF MANOR CASTLE

After Clause 264, insert the following new Clause –

“Community and Smaller-scale 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 and Smaller-scale Electricity Supplier Service agreement to any registered Community or Smaller-scale Energy site under section (Community and Smaller-scale Electricity Export Guarantee Scheme) for the purposes of allowing that site to sell electricity to local consumers.
- (2) The Community and Smaller-scale Electricity Supplier Service agreement will require licensed suppliers to make a community or smaller-scale 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 and Smaller-scale Electricity Export Guarantee Scheme).

- (3) The eligible licensed supplier may limit the total number of consumers the community or smaller-scale 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 or smaller-scale energy 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 or Smaller-scale 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 or smaller-scale sites offered Community and Smaller-scale Electricity Supplier 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 or smaller-scale energy tariffs and on the reasonable charges that eligible suppliers may charge for Community and Smaller-scale Electricity Supplier Service Agreements,
 - (b) make and publish a report annually on the operation of the export purchase agreements, setting out—
 - (i) the number of community energy projects or smaller-scale sites contracted with licensed energy suppliers under this section and the total amount of electricity purchased,
 - (ii) the licensed suppliers contracting with community energy groups or smaller-scale sites 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 and Smaller-scale Electricity Supplier Service agreements could be improved.
- (9) Regulations under this section are subject to the affirmative procedure.”

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 or smaller-scale low carbon generation schemes to sell directly to local people, along the lines of the Local Electricity Bill tabled in the last session of Parliament.

Energy Bill [HL]

AMENDMENTS
TO BE MOVED
ON REPORT

24 February 2023

PUBLISHED BY AUTHORITY OF THE HOUSE OF LORDS