

# Energy Bill [HL]

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MARSHALLED  
LIST OF AMENDMENTS  
TO BE MOVED  
ON REPORT

*The amendments have been marshalled in accordance with the Instruction of 24th March 2023, as follows –*

Clauses 1 to 16	Clause 155
Schedule 1	Schedule 12
Clauses 17 to 21	Clause 156
Schedule 2	Schedule 13
Clauses 22 to 32	Clause 157
Schedule 3	Schedule 14
Clauses 33 to 52	Clauses 158 to 163
Schedule 4	Schedule 15
Clauses 53 and 54	Clauses 164 to 170
Schedule 5	Schedule 16
Clauses 55 to 95	Clauses 171 to 199
Schedule 6	Schedule 17
Clauses 96 to 128	Clauses 200 to 234
Schedule 7	Schedule 18
Clause 129	Clauses 235 to 249
Schedule 8	Schedule 19
Clauses 130 to 133	Clauses 250 to 254
Schedule 9	Schedule 20
Clauses 134 to 154	Clauses 255 to 270
Schedules 10 and 11	Title

*[Amendments marked ★ are new or have been altered]*

**Amendment  
No.**

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**Before Clause 1**

LORD RAVENSDALE  
BARONESS WORTHINGTON

**1** 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,
  - (c) to reform the United Kingdom’s energy system while minimising costs to consumers and protecting them from unfair pricing, and
  - (d) to improve the overall efficiency of the United Kingdom energy system and economy.
- (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

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

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

***Member’s explanatory statement***

*This amendment places an equivalent principal duty on the Gas and Electricity Markets Authority to assist in the delivery of Net Zero, 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.*

#### Clause 2

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

3 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.*

**Clause 9**

LORD CALLANAN

- 4 Clause 9, page 9, line 31, after “(2)” insert “or (6)”

**Member's explanatory statement**

*This amendment requires proposed regulations under subsection (6) to be consulted on in the same way as regulations under subsection (2).*

**Clause 19**

LORD CALLANAN

- 5 Clause 19, page 21, line 9, leave out from “transfer,” to end of line 11

**Member's explanatory statement**

*This amendment removes a provision that would have authorised the Secretary of State to direct the economic regulator not to impose conditions on consent to the transfer of a licence. Lord Callanan’s amendment at page 21, line 19 is consequential on this amendment.*

LORD CALLANAN

- 6 Clause 19, page 21, line 19, leave out sub-paragraph (ii)

**Member's explanatory statement**

*See the explanatory statement for Lord Callanan’s amendment at page 21, line 9.*

**Clause 28**

LORD CALLANAN

- 7 Clause 28, page 27, line 27, at end insert “under this Part”

**Member's explanatory statement**

*This amendment clarifies that the duties under subsection (3) relate only to functions under Part 1 of the Bill, not to other functions of the Gas and Electricity Markets Authority.*

**Clause 29**

LORD CALLANAN

8 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 person 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 by virtue of subsection (2) is to be taken into account).”

***Member's explanatory statement***

*In this amendment new subsection (5) clarifies that disclosure of information under the Clause would not amount to a breach of any other legal restrictions and new subsection (6) clarifies the relationship between the power to require information under the Clause and requirements in data protection legislation.*

**Clause 31**

LORD CALLANAN

9 Clause 31, page 30, line 20, leave out from second “order” to end of line 22 and insert “have the same meaning as in Schedule 3 (see paragraph 1(12) of that Schedule).”

***Member's explanatory statement***

*This amendment updates subsection (4) to take account of amendments made in Committee which affected the way “final order” and “provisional order” are defined in Part 1.*

**Clause 46**

LORD CALLANAN

10 Clause 46, page 42, line 29, after “licence” insert “(“the section 7 licence”)

***Member's explanatory statement***

*This amendment is supplementary to Lord Callanan’s amendment at page 43, line 4.*

## LORD CALLANAN

11 Clause 46, page 43, line 4, leave out paragraphs (b) and (c) and insert –

“(b) if the section 7 licence authorises activities within section 2(2)(a), the person who granted any associated licence under section 18 of the Energy Act 2008, and”

***Member's explanatory statement***

*This amendment, which is supplemented by Lord Callanan's amendments at page 42 line 29, page 43 line 12 and page 49 line 27, amends the list of persons whom the Secretary of State must consult before exercising the powers under subsection (1).*

## LORD CALLANAN

12 Clause 46, page 43, line 12, leave out subsection (6) and insert –

“(6) For the purposes of this section, a licence under section 18 of the Energy Act 2008 (“the carbon storage licence”) is an “associated licence” in relation to the section 7 licence if –

- (a) the carbon storage licence is in respect of activities within section 17(2)(a) of that Act, and
- (b) any part of the site to which the section 7 licence relates is within any place to which the carbon storage licence relates.”

***Member's explanatory statement***

*See Lord Callanan's amendment at page 43, line 4.*

**Schedule 5**

## LORD CALLANAN

13 Schedule 5, page 262, line 2, leave out “Nuclear Energy (Financing)” and insert “Energy Prices”

***Member's explanatory statement***

*This amendment takes account of the passing of the Energy Prices Act 2022, which inserted a reference to that Act in section 105(1)(a) of the Utilities Act 2000, since this Bill was introduced.*

## LORD CALLANAN

14 Schedule 5, page 262, line 31, at end insert –

*“Enterprise and Regulatory Reform Act 2013*

9 In Schedule 4 to the Enterprise and Regulatory Reform Act 2013, in paragraph 35(3) (membership of CMA panel), in the definition of “specialist utility functions”, after paragraph (b) insert –

“(ba) an appeal under section 20 of the Energy Act 2023;”.

***Member's explanatory statement***

*This amendment provides for appeals under Clause 20 to be “specialist utility functions”. This will attract special provisions relating to the composition of groups constituted to carry out such functions.*

**Clause 55**

LORD CALLANAN

- 15 Clause 55, page 49, line 27, after ““licence”” insert “, except where the context otherwise requires,”

***Member's explanatory statement***

*This amendment is consequential on Lord Callanan’s amendment at page 43, line 4.*

**Clause 57**

LORD CALLANAN

- 16 Clause 57, page 52, line 2, after “66,” insert “(Payments to relevant market participants),”

***Member's explanatory statement***

*This amendment provides for the Parliamentary procedure to which regulations under new Clause (Payments to relevant market participants) are to be subject.*

**Clause 61**

BARONESS LIDDELL OF COATDYKE  
LORD FOULKES OF CUMNOCK

- 17★ Clause 61, page 55, line 8, leave out from “hydrogen” to the end of line 10 and insert “in a manner compliant (without limitation) with the Low Carbon Hydrogen Standard;”

***Member's explanatory statement***

*This amendment seeks to ensure that low carbon hydrogen producers must comply with the Low Carbon Hydrogen Standard in order to be considered as such.*

**Clause 66**

LORD LENNIE  
BARONESS BLAKE OF LEEDS  
BARONESS WORTHINGTON

- 18 Clause 66, page 57, line 25, 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 for levies away from households.*

LORD LENNIE  
BARONESS BLAKE OF LEEDS

- 19 Clause 66, page 58, line 25, leave out subsection (8)

**Member's explanatory statement**

*This amendment is consequential to the amendment at page 57, line 25.*

**After Clause 66**

LORD CALLANAN

- 20 After Clause 66, insert the following new Clause –

**“Payments to relevant market participants**

- (1) Revenue support regulations may make provision about amounts which must be paid –
  - (a) by a hydrogen levy administrator to relevant market participants, or
  - (b) by a hydrogen production counterparty –
    - (i) to relevant market participants, or
    - (ii) to a hydrogen levy administrator for the purpose of enabling payments to be made to relevant market participants.
- (2) Regulations by virtue of subsection (1) may make provision –
  - (a) for a hydrogen levy administrator to calculate or determine, in accordance with such criteria as may be provided for by or under the regulations, amounts which are owed by –
    - (i) the hydrogen levy administrator, or
    - (ii) a hydrogen production counterparty;
  - (b) for a hydrogen production counterparty to calculate or determine, in accordance with such criteria as may be provided for by or under the regulations, amounts which are owed by –
    - (i) the hydrogen production counterparty, or
    - (ii) a hydrogen levy administrator;
  - (c) for the issuing of notices by a hydrogen levy administrator to require the payment by a hydrogen production counterparty of amounts calculated or determined by the hydrogen levy administrator in accordance with paragraph (a)(ii);
  - (d) for the issuing of notices by a hydrogen production counterparty to require the payment by a hydrogen levy administrator of amounts calculated or determined by the hydrogen production counterparty in accordance with paragraph (b)(ii);

- (e) for the provision of copies of notices such as are mentioned in paragraph (c) or (d) to persons specified in the regulations, or the publication of such notices.
- (3) Revenue support regulations may make provision imposing on a relevant market participant who receives a payment from a hydrogen levy administrator or a hydrogen production counterparty a requirement to secure that customers of the relevant market participant receive, by a time specified in the regulations, such benefit from the payment as may be specified in or determined in accordance with the regulations.”

***Member's explanatory statement***

*This amendment enables regulations to require payments to be made to levy payers and to require benefits from such payments to be passed on to customers of levy payers. Lord Callanan's amendments at page 52, line 2 and page 59, line 23 are consequential on this amendment.*

**Clause 67**

LORD CALLANAN

- 21 Clause 67, page 59, line 23, after “(9)” insert “or (*Payments to relevant market participants*)(2) or (3)”

***Member's explanatory statement***

*See the explanatory statement for new Clause (*Payments to relevant market participants*).*

LORD CALLANAN

- 22 Clause 67, page 59, line 29, at end insert –
- “(4A) Provision made by virtue of subsection (3)(d) for the imposition of a financial penalty must include provision for a right of appeal against the imposition of the penalty.”

***Member's explanatory statement***

*This amendment requires regulations under Clause 67(3)(d) (functions of hydrogen levy administrator) that make provision for the imposition of financial penalties to include provision for a right of appeal.*

**Clause 68**

LORD CALLANAN

- 23 Clause 68, page 60, line 7, at end insert –
- “(1A) The power under each paragraph of subsection (1) may be exercised so that more than one appointment has effect under that paragraph at the same time.”



***Member's explanatory statement***

*This amendment makes it clear that more than one appointment of a hydrogen production allocation body or carbon capture allocation body may have effect at the same time.*

LORD CALLANAN

- 24 Clause 68, page 60, line 22, after “about” insert “the purposes for which,”

***Member's explanatory statement***

*This amendment is about regulations that treat a person whose appointment as an allocation body has ceased as if they were still so appointed, and enables such regulations to specify for what purposes the body is to be so treated.*

After Clause 74

LORD CALLANAN

- 25 After Clause 74, insert the following new Clause –

**“Licence conditions regarding functions of certain allocation bodies**

- (1) In section 7B of the Gas Act 1986, after subsection (5) insert –

“(5ZA) Without prejudice to the generality of paragraph (a) of subsection (4), conditions for or in connection with the purpose set out in subsection (5ZB) may be included in a licence under section 7AA by virtue of that paragraph.

(5ZB) The purpose is to facilitate or ensure the effective performance (whether in relation to Northern Ireland or any other part of the United Kingdom), at relevant times, of functions of a hydrogen production allocation body under Chapter 1 of Part 2 of the Energy Act 2023.

(5ZC) In subsection (5ZB) “relevant times” means times when the hydrogen production allocation body holds a licence under section 7AA.”

- (2) Where –

(a) the GEMA proposes by a modification under section 23 of the Gas Act 1986 of a licence under section 7AA of that Act to add, remove or alter a condition such as is mentioned in section 7B(5ZA) of that Act, and

(b) that condition relates to functions of a hydrogen production allocation body that are exercisable in relation to Northern Ireland,

section 23 of that Act has effect as if the persons listed in subsection (4)(b) of that section included the Department for the Economy in Northern Ireland.”

***Member's explanatory statement***

*This new Clause makes it clear that licences under section 7AA of the Gas Act 1986 may include certain conditions relating to functions of certain bodies appointed under Part 2 of the Bill, and makes related provision about proposed licence modifications.*

**Clause 77**

LORD CALLANAN

26 Clause 77, page 66, line 34, at end insert –

“(ca) for a revenue support counterparty to require a person specified, or of a description specified, in the regulations to provide information to it;”

***Member's explanatory statement***

*This amendment enables regulations to provide for a revenue support counterparty to require a person or description of persons to provide information to it.*

**Clause 78**

LORD CALLANAN

27 Clause 78, page 67, line 41, at end insert –

“(3) Revenue support regulations may make provision for special allocation body requirements (or a subset of such requirements) to be enforceable by the GEMA as if they were relevant requirements within the meaning of sections 28 to 30O of the Gas Act 1986.

(4) In this section “special allocation body requirements” means requirements imposed by or under revenue support regulations or regulations under section 68 on a hydrogen production allocation body, so far as the requirements relate to times when the body holds a licence under section 7AA of the Gas Act 1986 (including requirements in respect of functions of the body that relate to Northern Ireland).”

***Member's explanatory statement***

*This amendment provides for requirements imposed on a hydrogen production allocation body which holds a gas system planner licence to be able to be enforced by the application of provisions of the Gas Act 1986.*

**Clause 82**

LORD CALLANAN

28 Clause 82, page 71, line 8, at end insert –

“(ba) a person in accordance with whose directions or instructions the members of a Chapter 1 entity which is a limited liability partnership are accustomed to act;”

***Member's explanatory statement***

*This amendment ensures that the Secretary of State will not, by virtue of exercising functions under Chapter 1 in relation to an entity which is a limited liability partnership, be treated (for the purposes of any relevant rule of law) as a person in accordance with whose directions etc the members of a limited liability partnership are accustomed to act.*

## LORD CALLANAN

29 Clause 82, page 71, line 16, at end insert –

“(ba) a person in accordance with whose directions or instructions the members of a revenue support counterparty which is a limited liability partnership are accustomed to act;”

***Member's explanatory statement***

*This amendment ensures that an allocation body will not, by virtue of exercising functions under Chapter 1 in relation to a revenue support counterparty which is a limited liability partnership, be treated (for the purposes of any relevant rule of law) as a person in accordance with whose directions etc the members of a limited liability partnership are accustomed to act.*

**Clause 83**

## LORD CALLANAN

30 Clause 83, page 72, line 26, at end insert –

“(6A) Provision included in a licence, or in a document or agreement relating to licences, by virtue of a power conferred by this section may do anything authorised for licences of that type by –

- (a) section 7(2A), (3), (4), (5) or (6A) of the Electricity Act 1989,
- (b) section 7B(5)(a), (6) or (7) of the Gas Act 1986,
- (c) Article 11(3), (4), (5), (6A) or (6B) of the Electricity (Northern Ireland) Order 1992 (S.I. 1992/231 (N.I. 1)), or
- (d) Article 10(3)(a) to (d), (4), (5) or (6A) of the Gas (Northern Ireland) Order 1996 (S.I. 1996/275 (N.I. 2)).

(6B) For the purposes of subsection (6A)(c) and (d), the provisions referred to in those sub-paragraphs are to be read as if references to the Northern Ireland Authority for Utility Regulation included the Secretary of State.”

***Member's explanatory statement***

*This amendment further supplements the Secretary of State's powers under clause 83 to modify certain licences and related documents.*

**After Clause 83**

## LORD CALLANAN

31 After Clause 83, insert the following new Clause –

**“Electricity system operator and gas system planner licences: modifications**

- (1) The Secretary of State may, for the purpose of facilitating or ensuring the effective performance of functions specified in subsection (3), modify –
  - (a) the conditions of a licence under section 6(1)(da) of the Electricity Act 1989 (electricity system operator licence);

- (b) a document maintained in accordance with the conditions of such a licence, or an agreement that gives effect to a document so maintained.
- (2) The Secretary of State may, for the purpose of facilitating or ensuring the effective performance of functions specified in subsection (3), modify –
  - (a) the conditions of a licence under section 7AA of the Gas Act 1986 (gas system planner licence);
  - (b) a document maintained in accordance with the conditions of such a licence, or an agreement that gives effect to a document so maintained.
- (3) The functions referred to in subsections (1) and (2) are –
  - (a) functions of hydrogen production allocation bodies, and
  - (b) other functions under this Chapter which are related to such functions.
- (4) Modifications under subsections (1) and (2) may only make provision in relation to times when the person holding the licence is a hydrogen production allocation body.
- (5) The provision referred to in subsection (4) includes consequential or transitional provision in relation to times when it is no longer the case that the person holding the licence is a hydrogen production allocation body.
- (6) Provision included in a licence, or in a document or agreement relating to licences, by virtue of a power under this section may in particular –
  - (a) include provision of any kind that may be included in revenue support regulations or regulations under section 68;
  - (b) do any of the things authorised for licences of that type by –
    - (i) section 7B(5)(a), (5ZA), (6) or (7) of the Gas Act 1986, or
    - (ii) section 7(3), (4), (5) or (6A) of the Electricity Act 1989.
- (7) Before making a modification under this section the Secretary of State must consult –
  - (a) the holder of any licence being modified;
  - (b) the GEMA;
  - (c) such other persons as the Secretary of State considers it appropriate to consult.
- (8) Subsection (7) may be satisfied by consultation before, as well as by consultation after, the passing of this Act.”

***Member's explanatory statement***

*This amendment enables the Secretary of State to modify electricity system operator licences and gas system planner licences, and related codes etc, for the purpose of facilitating etc the effective performance of certain functions relating to hydrogen production allocation bodies.*

**Clause 84**

LORD CALLANAN

- 32 Clause 84, page 73, line 7, at end insert “or  
(b) section (*Electricity system operator and gas system planner licences: modifications*).”

***Member's explanatory statement***

*This amendment is supplementary to new Clause (Electricity system operator and gas system planner licences: modifications)*

**Clause 85**LORD TEVERSON  
BARONESS SHEEHAN

- 33 Clause 85, page 75, line 30, at end insert –  
“(7A) Any decommissioning fund must be ring-fenced and held in an escrow account, or similarly ring-fenced fund.  
(7B) The funds may be released only when –  
(a) decommissioning work takes place;  
(b) it is determined by the Secretary of State that the funds are no longer required for the purpose of decommissioning.”

***Member's explanatory statement***

*This amendment ensures that funds for decommissioning are still available when required for decommissioning.*

**Clause 86**

LORD CALLANAN

- 34 Clause 86, page 76, line 27, at end insert –  
“(3A) Where regulations under section 85(1) provide for the imposition of a civil penalty, they must also provide for a right of appeal against the imposition of the penalty.”

***Member's explanatory statement***

*This amendment requires regulations under Clause 85(1) (financing costs of decommissioning etc) that make provision for the imposition of civil penalties to include provision for a right of appeal.*

### Clause 87

LORD CALLANAN

- 35 Clause 87, page 77, line 25, leave out subsection (1) and insert—
- “(1) Section 30 of the Energy Act 2008 (abandonment of installations) is amended in accordance with subsections (1A) to (1D).
- (1A) In subsection (1), for “, (2)” substitute “to (2)”.
- (1B) After subsection (1A) insert—
- “(1AA) Part 4 of the 1998 Act, in its application in relation to carbon storage installations, has effect with the modifications set out in subsection (1AB).
- (1AB) The modifications are as follows—
- (a) in section 30 of the 1998 Act, for subsections (5) and (6) substitute—
- “(5) This subsection applies to a person in relation to a carbon storage installation if—
- (a) the person has the right—
- (i) to use a controlled place for the storage of carbon dioxide (with a view to its permanent disposal, or as an interim measure prior to its permanent disposal),
- (ii) to convert any natural feature in a controlled place for the purpose of storing carbon dioxide (with a view to its permanent disposal, or as an interim measure prior to its permanent disposal), or
- (iii) to explore a controlled place with a view to, or in connection with, the carrying on of the activities within sub-paragraph (i) or (ii), and
- (b) either—
- (i) any activity mentioned in subsection (6) is carried on from, by means of or on the installation, or
- (ii) the person intends to carry on an activity mentioned in that subsection from, by means of or on the installation,
- or if the person had such a right when any such activity was last so carried on.
- (6) The activities referred to in subsection (5) are—
- (a) the use of a controlled place for the storage of carbon dioxide (with a view to its permanent disposal, or as an interim measure prior to its permanent

- disposal) in the exercise of the right mentioned in subsection (5)(a);
- (b) the conversion of any natural feature in a controlled place for the purpose of storing carbon dioxide (with a view to its permanent disposal, or as an interim measure prior to its permanent disposal) in the exercise of the right mentioned in subsection (5)(a);
  - (c) the exploration of a controlled place in the exercise of the right mentioned in subsection (5)(a) with a view to, or in connection with, the carrying on of activities within paragraph (a) or (b) of this subsection;
  - (d) the conveyance in the controlled place mentioned in subsection (5)(a) of carbon dioxide by means of a pipe or system of pipes, in the exercise of the right mentioned in subsection (5)(a); and
  - (e) the provision of accommodation for persons who work on or from an installation which is or has been maintained, or is intended to be established, for the carrying on of an activity falling within any of paragraphs (a) to (d) of this subsection.”;
- (b) in section 30(7) of that Act, in the words before paragraph (a), for “(c)” substitute “(e)”;
  - (c) in section 31 of that Act, for subsection (B1) substitute—
    - “(B1) This subsection applies to an activity if—
      - (a) where the activity is within paragraph (a), (b) or (c) of section 30(6), the controlled place mentioned in that paragraph is one for which the installation is, or is to be, established or maintained;
      - (b) where the activity is within paragraph (d) of section 30(6), the conveyance of the carbon dioxide relates to a controlled place for which the installation is, or is to be, established;
      - (c) where the activity is within paragraph (e) of section 30(6), the installation is in a controlled place in respect of which P has a licence under section 18 of the Energy Act 2008.”;
  - (d) in section 31 of that Act, omit subsection (C1);
  - (e) in section 45 of that Act, in the appropriate place insert—
    - ““controlled place” has the same meaning as in section 17 of the Energy Act 2008;”.
- (1C) After subsection (4A) insert—
- “(4B) The powers in subsections (2)(b) and (4) include power to amend or repeal subsections (1AA) and (1AB).”

- (1D) In subsection (5) for “established or maintained” substitute “or has been maintained, or is intended to be or has been established.””

***Member's explanatory statement***

*This amendment sets out modifications of Part 4 of the Petroleum Act 1998 as it applies to carbon storage installations and extends the definition of “carbon storage installation” in section 30 of the Energy Act 2008.*

LORD CALLANAN

- 36 Clause 87, page 77, line 39, at end insert –

- “(3A) In section 29 of the Petroleum Act 1998 (preparation of programmes), in subsection (6), for the words from “in question,” to the end substitute “in question if the Secretary of State has under section 32 –
- (a) rejected that programme, or
  - (b) approved it (whether or not the approval has been withdrawn).”

***Member's explanatory statement***

*This amendment abolishes the rule that where an abandonment programme has been approved in relation to an installation or pipe-line the Secretary of State may not serve a further notice under section 29 of the Petroleum Act 1998 in relation to the installation or pipeline unless the approval has been withdrawn.*

**Clause 92**

LORD CALLANAN

- 37 Clause 92, page 83, line 24, after “out” insert “CCUS-related”

***Member's explanatory statement***

*This amendment and Lord Callanan’s amendments at page 83 line 27 and page 84 line 9 make it clear that the duties in subsections (1) and (2) of this Clause only affect functions related to carbon dioxide capture, usage and storage policy.*

LORD CALLANAN

- 38 Clause 92, page 83, line 27, after “respective” insert “CCUS-related”

***Member's explanatory statement***

*See Lord Callanan’s amendment at page 83, line 24.*



## LORD CALLANAN

- 39 Clause 92, page 84, line 9, leave out “subsection (3)” and insert “this section –  
“CCUS-related functions” means functions to which the strategic priorities are relevant (not including functions under sections 65 to 67, 78(1) or (2) or 83, or other functions so far as carried out in connection with those functions);”

*Member's explanatory statement*

See Lord Callanan's amendment at page 83, line 24.

**After Clause 98**BARONESS WORTHINGTON  
BARONESS SHEEHAN

- 40 After Clause 98, insert the following new Clause –

**“CHAPTER 4A**

## CARBON TAKE BACK OBLIGATION

**Climate policy for fossil fuel extraction**

- (1) No licence for exploration or extraction of oil, gas, coal or peat (“fossil fuels”) may be granted unless the condition in subsection (2) is met.
- (2) The condition is that the licensee must agree to produce certification to the economic regulator that the percentage of carbon dioxide which would be emitted when the fossil fuels are extracted and completely oxidised set out in subsection (4) has in each year of operation been captured and disposed of by way of permanent geological storage.
- (3) The carbon dioxide captured and disposed of under subsection (2) must be either –
  - (a) carbon dioxide removed from the atmosphere, or
  - (b) carbon dioxide that otherwise would have been emitted to the atmosphere under normal business practice.
- (4) The percentage referred to in subsection (2) is –
  - (a) for years starting from 2025 and ending in 2034, prescribed in regulations;
  - (b) 100 per cent for subsequent years.
- (5) Where the condition in subsection (2) is not met, the licensee must pay a penalty of £200 per tonne of the carbon dioxide which is not captured.
- (6) In relation to existing licences for extraction of fossil fuels, no new fossil fuels may be extracted from 2045 without certified evidence that 100 per cent of carbon dioxide emissions which would be emitted when the extracted fossil fuels are extracted and completely combusted are captured and disposed of by way of permanent geological storage.

(7) In this section—

“emissions” has the meaning set out in section 97 of the Climate Change Act 2008;

“permanent geological storage” means storage of carbon dioxide in geological and chemical formations with a view to the permanent containment of carbon dioxide.”

***Member's explanatory statement***

*This amendment sets an escalating proportion of carbon dioxide for new fossil fuel extraction licences which must be permanently geologically stored, whilst setting a 2045 requirement for 100% geological storage in relation to existing fossil fuel extraction licences.*

**Clause 99**

LORD CALLANAN

**41** Clause 99, page 90, line 10, leave out from “use” to end of line 15 and insert “relevant infrastructure (whether existing or proposed)”

***Member's explanatory statement***

*This amendment and Lord Callanan’s amendment at page 91 line 6 revise the definition of “relevant infrastructure” for the purposes of Clause 99.*

LORD CALLANAN

**42** Clause 99, page 90, line 19, leave out subsection (3)

***Member's explanatory statement***

*This amendment and Lord Callanan’s amendment at page 90 line 21 and first amendment at page 90 line 25 revise and clarify the description of the power conferred by subsection (1).*

LORD CALLANAN

**43** Clause 99, page 90, leave out line 21 and insert “Without prejudice to the generality of subsection (1), regulations under that subsection may amend, revoke or replace or make provision similar or corresponding to—”

***Member's explanatory statement***

*See the explanatory note for Lord Callanan’s amendment at page 90 line 19.*

LORD CALLANAN

**44** Clause 99, page 90, line 25, at end insert—

“(4A) Regulations under subsection (1)—

- (a) may confer functions (including discretions) on any person;
- (b) may confer jurisdiction on a court or tribunal;
- (c) may create criminal offences or impose civil penalties;

- (d) may make other provision about enforcement;
- (e) must provide for any offences created by the regulations to be triable –
  - (i) only summarily, or
  - (ii) either summarily or on indictment.”

***Member's explanatory statement***

*See the explanatory note for Lord Callanan's amendment at page 90 line 19.*

LORD CALLANAN

45 Clause 99, page 90, line 25, at end insert –

“(4B) Where regulations under subsection (1) impose a civil penalty, they must also provide for a right of appeal against the imposition of the penalty.”

***Member's explanatory statement***

*This amendment provides that regulations under Clause 99(1) that contain provision imposing a civil penalty must also include provision for a right of appeal against the imposition of the penalty.*

LORD CALLANAN

46 Clause 99, page 90, line 28, leave out “economic regulator” and insert “GEMA”

***Member's explanatory statement***

*This amendment ensures that the correct defined term is used for the Gas and Electricity Markets Authority.*

LORD CALLANAN

47 Clause 99, page 91, line 6, at end insert –

- “(7) In this section “relevant infrastructure” means –
- (a) a site for the geological storage of carbon dioxide that is situated in a regulated place, or
  - (b) a pipeline, situated in a regulated place, which is used or intended to be used to convey carbon dioxide to a site falling within paragraph (a), and any associated installations, apparatus or works.
- (8) For the purposes of this section a site or pipeline is situated in a “regulated place” if it is situated –
- (a) in the United Kingdom, or
  - (b) in, under or over –
    - (i) the internal waters of the United Kingdom,
    - (ii) the territorial sea adjacent to United Kingdom, or
    - (iii) waters in a Gas Importation and Storage Zone (within the meaning given by section 1 of the Energy Act 2008).

- (9) In this section “geological storage” has the same meaning as in Part 1 (see section 55).”

***Member's explanatory statement***

*See Lord Callanan's amendment at page 90, line 10.*

**Clause 108**

LORD CALLANAN

- 48 Clause 108, page 97, line 16, at end insert –

“(A1) Scheme regulations that, by virtue of section 106(3), provide that a person is liable to a financial penalty must also provide for a person to have a right of appeal to a court or tribunal against the imposition of the penalty.”

***Member's explanatory statement***

*This amendment requires regulations under Clause 101(1) (low-carbon heat schemes) that make provision for the imposition of financial penalties to include provision for a right of appeal.*

LORD CALLANAN

- 49 Clause 108, page 97, line 19, leave out “civil”

***Member's explanatory statement***

*This amendment is consequential on the amendment in the name of Lord Callanan at page 97, line 16, which makes provision about appeals against the imposition of a financial penalty.*

LORD CALLANAN

- 50 Clause 108, page 97, line 19, after “imposed” insert “(other than financial penalties)”

***Member's explanatory statement***

*This amendment is consequential on the amendment in the name of Lord Callanan at page 97, line 19, which makes provision about appeals against the imposition of a financial penalty.*

LORD CALLANAN

- 51 Clause 108, page 97, line 22, leave out “The regulations” and insert “Scheme regulations that make provision by virtue of subsection (1)”

***Member's explanatory statement***

*This amendment is consequential on the amendment in the name of Lord Callanan at page 97, line 16.*

LORD CALLANAN

- 52 Clause 108, page 97, line 23, leave out “subsection (1)” and insert “that subsection”

***Member's explanatory statement***

*This amendment is consequential on the amendment in the name of Lord Callanan at page 97, line 16.*

**Clause 111**

LORD TEVERSON  
BARONESS SHEEHAN

53 Leave out Clause 111

***Member's explanatory statement***

*This amendment, along with the amendment in the name of Lord Teverson to leave out Clause 112, would remove the Hydrogen Grid Conversion Trials from the bill.*

**Clause 112**

LORD TEVERSON  
BARONESS SHEEHAN

54 Clause 112, page 100, line 3, at end insert –

“(4A) The Secretary of State must make arrangements to permit any person with a dwelling within the hydrogen grid conversion trial area to opt out of the trial and continue to use the same form of energy and appliances that they currently use.”

***Member's explanatory statement***

*This amendment allows residents to opt out of the hydrogen trial.*

LORD CALLANAN

55 Clause 112, page 100, line 26, leave out “may” and insert “must”

***Member's explanatory statement***

*This amendment requires regulations under Clause 112 (regulations for the protection of consumers: hydrogen grid conversion trials) that make provision for the imposition of financial penalties to include provision for a right of appeal.*

LORD LENNIE  
BARONESS BLAKE OF LEEDS  
BARONESS SHEEHAN

56★ Clause 112, page 100, line 28, at end insert –

“(7A) Before a hydrogen grid conversion trial may be conducted, the Secretary of State must –

- (a) consult with the relevant local authority or authorities, affected consumers and relevant statutory bodies, giving regard to,—
  - (i) the level of local consent from consumers and other people in the trial location who would be affected, or are likely to be affected, by such a trial,
  - (ii) disruption to infrastructure in the trial location,
  - (iii) the potential economic impact to the trial location,
  - (iv) the advice of the Environment Agency on the environmental impact, including the volume of hydrogen released, as part of the proposed trial,
  - (v) the advice of the Health and Safety Executive on the safety of the proposed trial, and
  - (vi) any additional impact to the trial location that he or she considers reasonable;
- (b) publish a response to the consultation under paragraph (a), indicating the proportion of consumers who support or oppose the trial;
- (c) ensure that all households taking part in the trial are not disadvantaged by their involvement.”

***Member's explanatory statement***

*This amendment requires the Secretary of State to take a number of steps with regard to the areas and people affected by hydrogen grid conversion trials and to make arrangements for Ofgem to provide information, alternative heat sources and offer the right of opt out (which would disapply the right of gas transporters to enter premises to disconnect). It would also require the Environment Agency to monitor and report on hydrogen escape, and the Health and Safety Executive to monitor safety implications.*

LORD TEVERSON  
BARONESS SHEEHAN

57

Leave out Clause 112

***Member's explanatory statement***

*This amendment, along with the amendment in the name of Lord Teverson to leave out Clause 111, would remove the Hydrogen Grid Conversion Trials from the bill.*

**After Clause 113**

LORD CALLANAN  
LORD RAVENSDALE

58 After Clause 113, insert the following new Clause –

**“Treatment of recycled carbon fuel and nuclear-derived fuel as renewable transport fuel**

After section 131C of the Energy Act 2004 insert –

**“131D Recycled carbon fuel and nuclear-derived fuel**

- (1) An RTF order may –
  - (a) designate as recycled carbon fuel a description of liquid or gaseous fuel which is produced wholly from waste derived from a fossil source of energy;
  - (b) designate as nuclear-derived fuel a description of liquid or gaseous fuel which is produced wholly using, or by a process powered wholly by, nuclear fuel.
- (2) Where a designation under subsection (1) is in force, the recycled carbon fuel or nuclear-derived fuel is to be treated for the purposes of this Chapter and any RTF order as renewable transport fuel.”

***Member's explanatory statement***

*This amendment, which inserts a new clause in Chapter 3 of Part 3 of the Bill, provides for recycled carbon fuel and fuel derived from nuclear energy to be treated as a renewable transport fuel for the purposes of renewable transport fuel obligations under Chapter 5 of Part 2 of the Energy Act 2004.*

**Clause 116**

LORD TEVERSON

59 Clause 116, page 102, line 17, 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 116**

LORD LENNIE  
BARONESS BLAKE OF LEEDS

60 After Clause 116, 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 116.
- (2) For the supervision of the ISOP, the Secretary of State must appoint a board of at least eight 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 board to carry out their functions.”

***Member's explanatory statement***

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

LORD TEVERSON

61 After Clause 116, insert the following new Clause –

**“Finance**

- (1) The ISOP is to be financed directly by a fee levied on those in the energy industry that are licensed by Ofgem.
- (2) The amount of the levy must cover the costs of the ISOP on an annual basis.
- (3) It is obligatory for those licensed by Ofgem to pay the annual levy to the ISOP.
- (4) There must be an independent audit board to oversee and assess the annual levy and report its opinion to the ISOP and the Secretary of State.”

***Member's explanatory statement***

*This amendment ensures that the ISOP is properly financed and maintains a sufficient degree of independence from the Government and regulators.*



**Clause 119**

LORD TEVERSON

62 Clause 119, page 104, line 32, leave out subsection (1) and insert—

“(1) The ISOP once designated will 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.*

**Schedule 9**

LORD CALLANAN

63 Schedule 9, page 278, line 28, leave out from “after” to end of line and insert ““Part 1 of the Energy Act 2023” (inserted by paragraph 5(a) of Schedule 5 to this Act) insert “or Part 4 of that Act”.”

***Member's explanatory statement***

*This amendment ensures that the amendment made by paragraph 8 of Schedule 9, in relation to section 105(1)(a) of the Utilities Act 2000, dovetails correctly with the amendment to that provision made by paragraph 5 of Schedule 5 to the Bill.*

**Schedule 13**

LORD CALLANAN

64 Schedule 13, page 297, line 16, at end insert—

“(7) Where by virtue of subsection (6)(c) tender regulations provide for the imposition of a financial penalty, they must also include provision for a right of appeal against the imposition of the penalty.”

***Member's explanatory statement***

*This amendment requires regulations under section 6CA of the Electricity Act 1989 (tender regulations: power to require information) (inserted by Schedule 13) that provide for the imposition of civil penalties to include provision for a right of appeal.*

**Clause 159**

LORD TEVERSON

65★ Clause 159, page 131, line 23, at end insert—

“(1A) Those standard conditions must contain provision by which the holder of the MPI licence will contract with the relevant transmission licensee for the connection of

offshore distribution networks, generating stations or offshore installations to the multi-purpose interconnector.”

***Member's explanatory statement***

*This amendment seeks to clarify whether the regime for MPI licences will operate in a similar way to the Offshore Electricity Transmission regime in that generation and demand users will have contracts with the system operator, who will in turn enter into back-to-back arrangements with the MPI licensee.*

**After Clause 159**

LORD TEVERSON

**66★** After Clause 159, insert the following new Clause –

**“Anticipatory investment**

The Secretary of State and the GEMA must –

- (a) include such provisions within the conditions of MPI licences, and
- (b) procure such modifications to relevant industry codes, in accordance with the requirements of the Electricity Act 1989, the relevant transmission licences, and relevant industry codes with respect to such modifications, as may be necessary or desirable to ensure that holders of MPI licences are able to recover the economic and efficient anticipatory investment made in the development of the relevant multi-purpose interconnectors.”

***Member's explanatory statement***

*This amendment would give developers assurance that they would be able to recover the anticipatory investments that will need to be made for projects relating to MPIs.*

**Clause 161**

LORD TEVERSON

**67★** Clause 161, page 133, line 23, leave out subsection (6) and insert –

- “(6) Where a person to whom an MPI licence has been (or may be) granted under this section is party to arrangements with a transmission licensee with respect to the connection of that person’s installation to, and use by that person of, the transmission system operated by the transmission licensee, the transmission licensee must not seek to effect any modification to any target date for energisation, amount of connection charges or maximum connection capacities specified within such arrangements as a result of, or in connection with, the grant of the MPI licence to that person.
- (7) Where more than one person is eligible to be granted an MPI licence with respect to the same multi-purpose interconnector under this section, and each such person is party to arrangements with a transmission licensee with respect to the connection of that person’s installation to, and use by that person of, the transmission system

operated by the transmission licensee, the transmission licensee must consider all reasonable options for further improving –

- (a) the target date for energisation,
  - (b) the amount of connection charges, and
  - (c) maximum connection capacities under the connection arrangements for the multi-purpose interconnector based on the terms of both existing sets of connection arrangements.
- (8) The Secretary of State and the GEMA must procure such modifications to the conditions of relevant transmission licences and relevant industry codes as may be necessary or desirable to give effect to subsections (6) and (7), in accordance with the requirements of the Electricity Act 1989, the relevant transmission licences and relevant industry codes with respect to such modifications.

- (9) In this section and section 159 –

“MPI licence” means a licence under section 6(1)(ea) of the Electricity Act 1989 (inserted by section 158 of this Act);

“offshore installation” means an offshore installation of the kind referred to in section 246(2)(a) (arrangements for responding to marine oil pollution);

“offshore transmission licence” has the same meaning as in Part 1 of the Electricity Act 1989 (see section 6C(5) of that Act);

“relevant transmission licence” means –

- (a) a “transmission licence” as defined in section 6(1)(b) of the Electricity Act 1989, or
- (b) where an ISOP has been designated under this Act, an “electricity system operator licence” as defined in section 6(1)(da) of the Electricity Act 1989;

“transmission licensee” means a holder of a relevant transmission licence;

“transmission system” has the meaning given by section 4(4) of the Electricity Act 1989.”

***Member's explanatory statement***

*This amendment seeks to remove likely hurdles to the progression of MPI projects, namely clarifying the position for existing connection arrangements and setting out the process for co-operation between more than one existing development phase project.*

**Clause 164**

LORD WHITTY

68 Clause 164, page 134, line 4, at end insert –

- “(A1) Within six months of the day on which this Act is passed the Secretary of State must place before each House of Parliament a strategy for a significant increase in the provision of electricity storage facilities to enhance the resilience and flexibility of electricity supply.
- (B1) This strategy must cover all forms of electricity storage, including battery, hydrogen, ammonia, adiabatic compressed air energy storage systems, and

hydroelectric storage; and cover potential licensing, planning, regulation, subsidy and taxation considerations.”

***Member's explanatory statement***

*A future electricity network based largely on renewable sources of generation will require significantly increased storage capacity – which could be based on multiple technologies and is likely to require some form of government support in its development. This amendment would ensure that this dimension is considered and reported to parliament.*

**After Clause 166**

LORD WHITTY  
LORD TEVERSON

69 After Clause 166, insert the following new Clause –

**“Introduction of a social tariff for vulnerable energy customers**

- (1) Within six 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.*

LORD TEVERSON

70 After Clause 166, insert the following new Clause –

**“Smart meter rollout for prepayment customers**

- (1) The Secretary of State must ensure that all legacy prepayment meters are replaced with smart meters before the end of 2025.
- (2) Within three months of the day on which this Act is passed, the Secretary of State must prepare a plan in relation to ending self-disconnections by the end of 2026.
- (3) Such a plan may include but is not limited to –
  - (a) the introduction of a social tariff for prepayment customers,
  - (b) the introduction of mechanisms to apply credit automatically if a prepayment customer runs out of credit,

- (c) the introduction of a mechanism to transfer a prepayment customer to credit mode automatically if they run out of credit.”

***Member's explanatory statement***

*This amendment places duties on the Secretary of State to ensure prepayment metered customers are prioritised in the smart meter rollout, and to create a plan to stop self-disconnections before the end of 2026.*

LORD TEVERSON

71 After Clause 166, insert the following new Clause –

**“Restriction of the use of prepayment meters**

- (1) Within 90 days of the day on which this Act is passed the Secretary of State must make regulations prohibiting energy suppliers from authorising or undertaking the installation of new prepayment meters for domestic energy use unless the relevant condition in subsection (2) is met.
- (2) The relevant condition is that the energy supplier has received an explicit request from the consumer for the installation of a prepayment meter.
- (3) In this section “installation of new prepayment meters” includes switching existing energy meters to a prepayment mode.
- (4) The Secretary of State may make subsequent regulations that amend or repeal regulations made under this section.
- (5) Regulations under this section are subject to the affirmative procedure.”

***Member's explanatory statement***

*This amendment would require the Secretary of State to prohibit the installation of new prepayment meters unless consumers explicitly request them.*

LORD WHITTY

72 After Clause 166, insert the following new Clause –

**“Introduction of social tariff for vulnerable consumers**

- (1) Within six months of the day on which this Act is passed the Secretary of State must lay a plan before Parliament to introduce a social tariff for vulnerable energy consumers.
- (2) The Secretary of State may by notice in writing require the GEMA to introduce a social tariff for energy to be available to vulnerable energy consumers.
- (3) The social tariff must be –
  - (a) additional to the Warm Home Discount Scheme and Default Tariff Cap,
  - (b) mandatory for all licensed retail electricity and gas suppliers,
  - (c) targeted at households that are in or at risk of fuel poverty,
  - (d) set at a level below the market price, and

(e) offered automatically to all eligible households.”

***Member's explanatory statement***

*This amendment requires the Secretary of State and the Regulator to produce a plan for the introduction of a mandatory Social Tariff for vulnerable consumers and present it to Parliament.*

**Clause 167**

LORD CALLANAN

73 Clause 167, page 139, line 34, leave out “negative” and insert “affirmative”

***Member's explanatory statement***

*This amendment makes regulations under Clause 167 (which contains a power to amend certain definitions relating to heat networks) subject to the affirmative procedure.*

**Clause 168**

LORD WHITTY

74 Clause 168, page 140, line 1, at end insert –

“(1A) The prime objective of the Regulator in relation to heat networks is to ensure that the consumers of heat networks are treated no less favourably than consumers of other energy suppliers and that they have equivalent consumer protection.”

***Member's explanatory statement***

*This amendment would make it clear that the Regulator needs to ensure that consumers of heat networks have equivalent consumer protection to those of other suppliers.*

**Schedule 16**

LORD CALLANAN

75 Schedule 16, page 337, line 32, leave out “or Scotland”

***Member's explanatory statement***

*This amendment removes a reference to Scotland in connection with installation and maintenance licences (which do not apply in relation to Scotland).*

LORD CALLANAN

76 Schedule 16, page 340, line 28, leave out paragraph (c)

***Member's explanatory statement***

*This amendment is consequential on the amendment in the name of Lord Callanan at page 341, line 7.*

## LORD CALLANAN

77 Schedule 16, page 341, line 7, at end insert –

“(2A) Where regulations make provision by virtue of paragraph 37(2)(c) for the imposition of a penalty on a relevant person, the regulations –

- (a) must also include provision enabling the relevant person to challenge the penalty in legal proceedings;
- (b) may, in particular, specify the grounds on which and the time within which a penalty may be challenged and the remedies that may be given.”

***Member's explanatory statement***

*This amendment requires regulations made by virtue of paragraph 37(2)(c) of Schedule 16 (heat networks regulation: methods of enforcement) that provide for the imposition of a penalty to include provision for challenging the penalty in legal proceedings.*

## LORD CALLANAN

78 Schedule 16, page 341, line 28, leave out “a penalty” and insert “compensation”

***Member's explanatory statement***

*This amendment corrects an error in paragraph 40(1)(f) of Schedule 16.*

## LORD CALLANAN

79 Schedule 16, page 346, line 26, at end insert –

“(3) In this paragraph, “the appropriate authority” means –

- (a) in relation to England and Wales and Scotland, the Secretary of State;
- (b) in relation to Northern Ireland, the Department.”

***Member's explanatory statement***

*This amendment provides a definition of “the appropriate authority” for paragraph 50 of Schedule 16 (to match the definition in paragraph 61 of that Schedule).*

**Clause 171**

## LORD CALLANAN

80 Clause 171, page 141, line 38, leave out subsection (1) and insert –

“(1) The first regulations to be made by the Secretary of State under section 170 are subject to the affirmative procedure.”

***Member's explanatory statement***

*This amendment clarifies that the first regulations made by the Secretary of State under Clause 170 are subject to the affirmative procedure.*

## LORD CALLANAN

- 81 Clause 171, page 142, line 1, leave out from beginning to “subject” in line 2 and insert “The following regulations made by the Secretary of State are also”

***Member's explanatory statement***

*This amendment clarifies that the list in Clause 171(2) of cases in which the affirmative procedure applies relates to regulations made by the Secretary of State (as opposed to regulations made by the Department for the Economy in Northern Ireland).*

## LORD CALLANAN

- 82 Clause 171, page 142, line 3, leave out paragraph (a)

***Member's explanatory statement***

*This amendment is consequential on the amendment in the name of Lord Callanan at page 141, line 38.*

## LORD CALLANAN

- 83 Clause 171, page 142, line 8, at end insert –

- “(iv) any provision of Part 8 or 9 of Schedule 16, or
- (v) paragraph 56 of Schedule 16;”

***Member's explanatory statement***

*This amendment adds regulations relating to step-in arrangements, special administration regimes and powers of entry to the list of the kinds of regulations under Clause 170 that are subject to the affirmative procedure.*

## LORD CALLANAN

- 84 Clause 171, page 142, line 12, at end insert –

“(2A) Any other regulations made by the Secretary of State under section 170 are subject to the negative procedure.”

***Member's explanatory statement***

*This amendment is consequential on the amendment in the name of Lord Callanan at page 141, line 38.*

## LORD CALLANAN

- 85 Clause 171, page 142, line 16, leave out subsection (4) and insert –

“(4) The first regulations to be made by the Department under section 170 may not be made unless a draft of the regulations has been laid before and approved by a resolution of the Northern Ireland Assembly.”



**Member's explanatory statement**

*This amendment is part of a rearrangement of procedural provision in Clause 171 relating to regulations made by the Department for the Economy in Northern Ireland, aimed at mirroring the corresponding provision in that clause relating to regulations made by the Secretary of State.*

LORD CALLANAN

86 Clause 171, page 142, line 24, leave out paragraph (a)

**Member's explanatory statement**

*See the explanatory statement relating to the amendment in the name of Lord Callanan at page 142, line 16.*

LORD CALLANAN

87 Clause 171, page 142, line 27, at end insert –

- “(iii) any provision of Part 8 or 9 of Schedule 16, or
- (iv) paragraph 56 of Schedule 16;”

**Member's explanatory statement**

*This amendment makes provision in respect of regulations made by the Department for the Economy in Northern Ireland corresponding to that made by the amendment in the name of Lord Callanan at page 142, line 8 in respect of regulations made by the Secretary of State.*

LORD CALLANAN

88 Clause 171, page 142, line 31, at end insert –

- “(6) Any other regulations made by the Department under section 170 are subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954 (c. 33 (N.I.)).”

**Member's explanatory statement**

*See the explanatory statement relating to the amendment in the name of Lord Callanan at page 142, line 16.*

**Clause 173**

LORD CALLANAN

89 Clause 173, page 143, line 35, leave out “negative” and insert “affirmative”

**Member's explanatory statement**

*This amendment provides that regulations under Clause 173(1) (which confers power to designate the Gas and Electricity Markets Authority as the licensing authority for the purposes of the Heat Networks (Scotland) Act 2021) are subject to the affirmative procedure.*

**Clause 174**

LORD CALLANAN

90 Clause 174, page 144, line 19, at end insert –

“(4) Regulations under this section are subject to the affirmative procedure.”

***Member's explanatory statement***

*This amendment provides that regulations under Clause 174 (which confers power to make provision about the enforcement of conditions of heat network licences issued in Scotland) are subject to the affirmative procedure.*

**Clause 180**

LORD CALLANAN

91 Clause 180, page 147, line 39, leave out subsections (3) and (4)

***Member's explanatory statement***

*This amendment omits provision that would have enabled heat network zones regulations to require a person to comply with the provisions of a non-legislative document.*

**Clause 185**

LORD CALLANAN

92 Clause 185, page 153, line 10, leave out paragraph (c)

***Member's explanatory statement***

*This amendment is consequential on the amendment in the name of Lord Callanan at page 153, line 14.*

LORD CALLANAN

93 Clause 185, page 153, line 14, at end insert –

“(1A) Zones regulations made by virtue of section 181(2)(c) or 184(2)(c) must include provision for a right of appeal against the imposition of a penalty.”

***Member's explanatory statement***

*This amendment requires zones regulations made by virtue of Clause 181 (requests for information) or Clause 184 (enforcement of heat network zone requirements) that make provision for the imposition of a penalty, to include provision for a right of appeal.*

**After Clause 187**

LORD RAVENSDALE

94 After Clause 187, 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 178.”

***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 191**

LORD CALLANAN

95 Clause 191, page 159, line 17, at end insert “in respect of that act or omission”

***Member's explanatory statement***

*This amendment ensures that the acceptance by an enforcement authority (under energy smart regulations) of an enforcement undertaking in respect of a person's act or omission does not prevent the authority imposing a penalty on that person in respect of a different act or omission.*

**Clause 194**

LORD CALLANAN

96 Clause 194, page 161, line 15, at end insert –

- “(5A) Energy smart regulations that are not within subsection (5) are subject to the made affirmative procedure if they –
- (a) are the first energy smart regulations to make provision about a particular description of energy smart appliance,
  - (b) make provision by virtue of section 189(4)(b) imposing requirements of a kind not previously imposed by energy smart regulations,
  - (c) make provision by virtue of section 190(1)(a) or (b) by reference or in relation to a published document, standard or list (as the case may be) in respect of which such provision has not previously been made,
  - (d) confer new powers for the enforcement of energy smart regulations, or
  - (e) make provision by virtue of section 192(2) for the imposition of new civil penalties.
- (5B) A revised version of a published document, standard or list is to be disregarded for the purposes of subsection (5A)(c) if provision has previously been made in respect of the document, standard or list by virtue of section 190(1)(a) or (b) (as the case may be).”

***Member's explanatory statement***

*This amendment provides that energy smart regulations that are not the first energy smart regulations but that include certain kinds of provision for the first time are subject to the made affirmative procedure.*

**Before Clause 200**

BARONESS HAYMAN  
LORD FOSTER OF BATH  
LORD BOURNE OF ABERYSTWYTH  
LORD WHITTY

97 Before Clause 200, insert the following new Clause –

**“National Warmer Homes and Businesses Action Plan**

- (1) The Secretary of State must, before the end of the period of 6 months beginning with the day on which this Act is passed, publish an action plan entitled the Warmer Homes and Businesses Action Plan, to set out how His Majesty’s Government intends to deliver on –
- (a) achieving a low-carbon heat target, of 100% of installations of relevant heating appliances and connections to relevant heat networks by 2035,
  - (b) achieving EPC band C by 2035 in all UK homes where practical, cost effective and affordable,
  - (c) achieving EPC band B by 2028 in all non-domestic properties, and

- (d) introducing the Future Homes Standard for all new builds in England by 2025.
- (2) The Secretary of State must, in developing the Warmer Homes and Businesses Action Plan, consult the Climate Change Committee and its sub-committee on adaptation.”

***Member's explanatory statement***

*This amendment imposes a duty on the Secretary of State to bring forward a plan with timebound proposals for low carbon heat, energy efficient homes and non-domestic properties and higher standards on new homes.*

**After Clause 200**

LORD FOSTER OF BATH  
LORD LENNIE  
BARONESS HAYMAN  
LORD WHITTY

98 After Clause 200, 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 make regulations –
  - (a) amending the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (S.I. 2015/962) to require that, subject to subsection (2), all tenancies have an energy performance certificate (EPC) of at least Band C by 31 December 2028;
  - (b) amending the Energy Efficiency (Private Rented Property) (England and Wales) (Amendment) Regulations 2019 (S.I. 2019/595) to raise the cost cap to £10,000.
- (2) Exemptions to subsection (1) apply where –
  - (a) the occupier of any premises whose permission is needed to carry out works refuses to give such permission;
  - (b) it is not technically feasible to improve the energy performance of the premises to the level of EPC Band C;
  - (c) another exemption specified in the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 has been registered in the Private Rented Sector (PRS) Exemptions Register.
- (3) Within six months of the passing of this Act the Secretary of State must make regulations –
  - (a) amending the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 to enable local authorities to give notice to landlords that they wish to inspect a property in relation to those Regulations, requesting permissions from landlords and any tenants in situ at the time to carry out an inspection at an agreed time;

- (b) to expand the scope of the current PRS Exemptions Register and redesign it as a database covering properties' compliance with or exemptions from EPCs;
  - (c) to require a post-improvement EPC to be undertaken to demonstrate compliance;
  - (d) to require a valid EPC be in place at all times while a property is let;
  - (e) to raise the maximum total of financial penalties to be imposed by a local authority on a landlord of a domestic private rented sector property in relation to the same breach and for the same property to £30,000 per property and per breach of the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015.
- (4) The Secretary of State may make regulations to—
- (a) enable tenants in the private rented sector to request that energy performance improvements are carried out where a property is in breach of the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015;
  - (b) make provision for a compensation mechanism where a tenant is paying higher energy bills as a result of a property not meeting the required standard.
- (5) Regulations under this section are subject to the affirmative procedure.”

### Clause 212

LORD CALLANAN

99 Clause 212, page 177, line 13, at end insert—

“(A1) ESOS regulations that provide for the imposition of a financial penalty must also provide for a right of appeal to a court or tribunal against the imposition of the penalty.”

***Member's explanatory statement***

*This amendment requires ESOS regulations that provide for the imposition of financial penalties to include provision for a right of appeal.*

LORD CALLANAN

100 Clause 212, page 177, line 17, after “imposed” insert “(other than financial penalties)”

***Member's explanatory statement***

*This amendment is consequential on the amendment in the name of Lord Callanan at page 177, line 13, which makes provision about appeals against the imposition of a financial penalty.*

## LORD CALLANAN

- 101 Clause 212, page 177, line 19, leave out “The regulations” and insert “Regulations that make provision by virtue of subsection (1)”

*Member's explanatory statement*

*This amendment is consequential on the amendment in the name of Lord Callanan at page 177, line 13, which makes provision about appeals against the imposition of a financial penalty.*

## LORD CALLANAN

- 102 Clause 212, page 177, line 20, at end insert “made by virtue of that subsection”

*Member's explanatory statement*

*This amendment is consequential on the amendment in the name of Lord Callanan at page 177, line 13.*

## LORD CALLANAN

- 103 Clause 212, page 177, line 21, after “subsection” insert “(A1) or”

*Member's explanatory statement*

*This amendment is consequential on the amendment in the name of Lord Callanan at page 177, line 13.*

**After Clause 244**

## BARONESS MCINTOSH OF PICKERING

- 104 After Clause 244, insert the following new Clause –

**“Marine habitats: reducing effects of offshore wind developments**

- (1) The Secretary of State may, by regulations, prohibit offshore wind developments in marine protected areas.
- (2) The Secretary of State may, by regulations, prevent consent being granted for an offshore wind development if the mitigation hierarchy has not been followed.
- (3) “Mitigation hierarchy” means a framework for developers to address harms to biodiversity and ecosystems caused by developments, based on the sequential and iterative application of actions to avoid, mitigate, and then compensate for, such harms.
- (4) Subsections (1) and (2) apply to—
  - (a) an offshore installation used for or in connection with wind energy generation;
  - (b) offshore infrastructure, including cables and pipelines, connected to such an installation;

- (c) infrastructure connected to such an installation that is being decommissioned, has been decommissioned, or has been abandoned.

(5) Regulations under this section are subject to the affirmative procedure.”

***Member's explanatory statement***

*This new Clause would strengthen protection for marine protected areas from damage related to energy infrastructure and ensure the mitigation hierarchy is followed.*

**Clause 246**

LORD CALLANAN

105 Clause 246, page 208, line 16, at end insert –

“(8A) Where regulations under subsection (1) or (5) provide for the imposition of a civil penalty, they must also include provision for a right of appeal against the imposition of the penalty.”

***Member's explanatory statement***

*This amendment requires regulations under Clause 246 (arrangements for responding to marine oil pollution) that provide for the imposition of civil penalties to include provision for a right of appeal.*

**Clause 247**

LORD CALLANAN

106 Clause 247, page 210, line 7, at end insert –

“(8A) Where regulations under this section provide for the imposition of a civil penalty, they must also include provision for a right of appeal against the imposition of the penalty.”

***Member's explanatory statement***

*This amendment requires regulations under Clause 247 (habitats: reducing effects of offshore oil or gas activities etc) that provide for the imposition of civil penalties to include provision for a right of appeal.*

LORD CALLANAN

107 Clause 247, page 210, line 8, leave out subsections (9) and (10) and insert –

“(9) Regulations under this section are subject to the affirmative procedure.”

***Member's explanatory statement***

*This amendment provides that any regulations under Clause 247 (habitats: reducing effects of offshore oil or gas activities etc) are subject to the affirmative procedure.*



**Clause 248**

LORD CALLANAN

- 108 Clause 248, page 210, line 22, leave out “Charging schemes” and insert “Charges in connection with exercise of functions under Part 4”

***Member's explanatory statement***

*See the explanatory statement for the amendment in Lord Callanan's name at page 210, line 23.*

LORD CALLANAN

- 109 Clause 248, page 210, line 23, leave out “make a scheme providing” and insert “by regulations made by statutory instrument provide”

***Member's explanatory statement***

*This amendment provides for charges in connection with the carrying out of functions under Part 4 of the Petroleum Act 1998 to be imposed by regulations, rather than by an administrative scheme.*

LORD CALLANAN

- 110 Clause 248, page 210, line 27, leave out “A scheme” and insert “Regulations”

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

LORD CALLANAN

- 111 Clause 248, page 210, line 29, leave out “scheme” and insert “regulations”

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

LORD CALLANAN

- 112 Clause 248, page 210, line 31, leave out “scheme” and insert “regulations”

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

LORD CALLANAN

- 113 Clause 248, page 210, line 32, leave out “A scheme” and insert “Regulations”

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

LORD CALLANAN

- 114** Clause 248, page 210, line 34, leave out "A scheme" and insert "Regulations"

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

LORD CALLANAN

- 115** Clause 248, page 211, line 3, leave out "A scheme" and insert "Regulations"

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

LORD CALLANAN

- 116** Clause 248, page 211, line 7, leave out "a scheme" and insert "regulations"

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

LORD CALLANAN

- 117** Clause 248, page 211, line 10, leave out "scheme" and insert "regulations"

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

LORD CALLANAN

- 118** Clause 248, page 211, line 11, leave out "a scheme" and insert "regulations"

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

## LORD CALLANAN

**119** Clause 248, page 211, line 12, at end insert –

“(8A) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.”

***Member's explanatory statement***

*This amendment provides for a statutory instrument containing regulations under new section 38C of the Petroleum Act 1998 (inserted by clause 248) to be subject to the negative procedure.*

## LORD CALLANAN

**120** Clause 248, page 211, leave out lines 13 to 21

***Member's explanatory statement***

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

## LORD CALLANAN

**121** Clause 248, page 211, line 23, at end insert –

“(za) in paragraph (a), for the words from “the reference” to “Scottish Parliament” substitute “sections 38C(8A) and 39(6) of the 1998 Act are to be read as if each of those sections imposed a requirement that regulations under the section concerned are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010)”;

***Member's explanatory statement***

*This amendment ensures that where the Scottish Ministers make regulations under new section 38C of the Petroleum Act 1998 (inserted by clause 248), as applied in relation to carbon storage installations by section 30 of the Energy Act 2008, the regulations are subject to negative procedure in the Scottish Parliament.*

## LORD CALLANAN

**122** Clause 248, page 211, line 24, leave out paragraphs (a) and (b)

***Member's explanatory statement***

*This amendment removes amendments to section 30(2) of the Energy Act 2008 that are no longer thought to be needed.*

## LORD CALLANAN

**123** Clause 248, page 211, line 34, leave out “a scheme” and insert “regulations”

**Member's explanatory statement**

*This amendment is consequential on the amendment in Lord Callanan's name at page 210, line 23.*

**After Clause 250**

BARONESS SHEEHAN  
LORD TEVERSON

**124** After Clause 250, insert the following new Clause –

**“Prohibition on flaring and venting**

- (1) The Secretary of State must by regulations prohibit the practice of flaring and venting by oil and gas installations other than in an emergency within the jurisdiction of the United Kingdom.
- (2) In this section “flaring” means the burning of methane gas and other hydrocarbons, produced during oil extraction; venting is the release of methane gas and other hydrocarbons directly into the atmosphere, without combustion.
- (3) Regulations under this section must be made so as to bring the prohibition into force by 31 December 2025.”

**Member's explanatory statement**

*This amendment would prohibit “flaring” which is the burning of methane and other hydrocarbons, produced during oil extraction, to dispose of it, and venting which is the release of uncombusted methane and other hydrocarbons. This is in line with recommendations made by the House of Commons Environmental Audit Committee and would help ensure the UK fulfils commitments it made at COP26 and COP27 under the Global Methane Pledge.*

LORD TEVERSON

**125★** After Clause 250, insert the following new Clause –

**“CHAPTER 3****DECARBONISATION OF OFFSHORE OIL AND GAS INSTALLATIONS****Functions of relevant authorities**

In carrying out functions under this Chapter –

- (a) the Secretary of State must have regard to –
  - (i) the Secretary of State's duties under sections 1 and 4(1)(b) of the Climate Change Act 2008 (carbon targets and budgets), and
  - (ii) the “supply decarbonisation” targets set out in the North Sea Transition Deal published by the Secretary of State on 24 March 2021, and
- (b) the Oil and Gas Authority and the GEMA must have regard to –

- (i) the need to assist the Secretary of State’s compliance with the duties mentioned in subsection (3)(a),
- (ii) the net-zero emissions target, as defined in section A1(1) of the Climate Change (Scotland) Act 2009,
- (iii) any target in, or set under, section 1 or 2 of the Climate Change Act (Northern Ireland) 2022, and
- (iv) any target in, or set under, section 29 or 30 of the Environment (Wales) Act 2016.”

***Member's explanatory statement***

*The amendments to add a new Chapter in the name of Lord Teverson seek to remove legislative barriers to the electrification and decarbonisation of oil and gas facilities.*

LORD TEVERSON

**126★** After Clause 250, insert the following new Clause –

**“Options for decarbonisation of offshore installations**

- (1) The Oil and Gas Authority must monitor and promote options for increasing the proportion of energy consumed at offshore installations that is derived from renewable sources, with a view to securing the decarbonisation of such offshore installations as expeditiously as reasonably practicable.
- (2) Unless and until otherwise directed by the Secretary of State, the Oil and Gas Authority must, at least once every twelve months, publish a report detailing the options referred to in subsection (1) and the progress made to date against such options.”

***Member's explanatory statement***

*The amendments to add a new Chapter in the name of Lord Teverson seek to include provisions within the bill that remove legislative barriers to the electrification and decarbonisation of oil and gas facilities.*

LORD TEVERSON

**127★** After Clause 250, insert the following new Clause –

**“Offshore distribution networks**

- (1) The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001 (S.I. 2001/3270) is amended as follows –
  - (a) in Schedule 2 (exemptions from section 4(1)(a) of the Act (generation exemptions)), in paragraph (1) under the heading “Class B: Offshore generators”, after “offshore installation”, insert “or which is connected to an offshore installation by means of a distribution system operated by a person in circumstances such that the person falls within Class D in Schedule 3”, and
  - (b) in Schedule 4 (exemptions from section 4(1)(c) of the Act (supply exemptions)), in paragraph (1) under the heading “Class D: Offshore

Supply”, after “offshore installation”, insert “or which is connected to an offshore installation by means of a distribution system operated by a person in circumstances such that the person falls within Class D in Schedule 3”.

- (2) The Secretary of State may by regulations make such modifications to instruments enacted under –
  - (a) section 6C of the Electricity Act 1989 (competitive tenders for offshore transmission licences), and
  - (b) Chapter 2 of Part 2 of the Energy Act 2013 (contracts for difference),
 as may be necessary or desirable to reflect the potential for generating stations to export electricity to, and for offshore installations to import electricity from, offshore transmission systems via offshore licence-exempt electricity distribution networks.
- (3) The Secretary of State and the GEMA must procure such modifications to the conditions of relevant transmission licences and relevant industry codes as may be necessary or desirable to reflect the potential for generating stations to export electricity to, and for offshore installations to import electricity from, offshore transmission systems via offshore licence-exempt electricity distribution networks, in accordance with the requirements of the Electricity Act 1989, the relevant transmission licences and relevant industry codes with respect to such modifications.”

***Member's explanatory statement***

*The amendments to add a new Chapter in the name of Lord Teverson seek to include provisions within the bill that remove legislative barriers to the electrification and decarbonisation of oil and gas facilities.*

LORD TEVERSON

**128★** After Clause 250, insert the following new Clause –

**“Enhanced grid sharing**

- (1) Provided that the conditions set out in subsection (2) are met, a relevant transmission licensee must not seek to effect any modification to any target date for energisation, amount of connection charges or maximum connection capacities specified within any relevant connection arrangements as a result of, or in connection with, the obtainment (or potential obtainment) by the developer of a relevant electrification project of the benefit, in whole or in part, of those relevant connection arrangements.
- (2) The conditions referred to in subsection (1) are –
  - (a) the third-party user that is party to the relevant connection arrangements has agreed to assign or share the benefit, in whole or part, of the relevant connection arrangements with the developer of the relevant electrification project,
  - (b) the total amount of electricity exported to the transmission system by the third party user and the relevant electrification project will not exceed the

- maximum export capacity specified under the relevant connection arrangements, and
- (c) the total amount of electricity imported from the transmission system by the third-party user and the relevant electrification project will not exceed the maximum import capacity specified under the relevant connection arrangements.
- (3) The Secretary of State and the GEMA must procure such modifications to the conditions of relevant transmission licences and relevant industry codes as may be necessary or desirable to give effect to subsection (1), in accordance with all requirements of the Electricity Act 1989, the relevant transmission licences and relevant industry codes with respect to such modifications.”

***Member's explanatory statement***

*The amendments to add a new Chapter in the name of Lord Teverson seek to include provisions within the bill that remove legislative barriers to the electrification and decarbonisation of oil and gas facilities.*

LORD TEVERSON

**129★** After Clause 250, insert the following new Clause –

**“Interpretation**

- (1) In this Chapter –
- “offshore installation” means an offshore installation of the kind referred to in section 246(2)(a) (Arrangements for responding to marine oil pollution);
- “offshore transmission system” has the meaning given in section 6F(8) of the Electricity Act 1989;
- “relevant connection arrangements” means arrangements between a third party user and the holder of a relevant transmission licence with respect to the connection of the third party user’s installation to, and use by the third party user of, the transmission system operated by the relevant transmission licensee;
- “relevant electrification project” means the planning, construction and operation of –
- (a) a generating station in the UK marine area that generates electricity from renewable sources for the purpose (whether solely or in combination with another purpose or other purposes) of enabling a supply of electricity to one or more offshore installations, and
- (b) infrastructure in the UK marine area used or intended for use in connection with a generating station within paragraph (a).
- “relevant industry codes” means such documents as are maintained in accordance with the conditions of relevant transmission licences;
- (a) a “transmission licence” as defined in section 6(1)(b) of the Electricity Act 1989; or

- (b) where an ISOP has been designated under this Act, an “electricity system operator licence” as defined in section 6(1)(da) of the Electricity Act 1989 (as inserted by this Act);
- “relevant transmission licensee” means a holder of a relevant transmission licence that is party to relevant connection arrangements;
- “renewable sources” has the meaning given by section 32M(1) of the Electricity Act 1989 (Interpretation of sections 32 to 32M);
- “third party user” means a person other than the developer of the relevant electrification project who is party to relevant connection arrangements;
- “transmission system” has the meaning given by section 4(4) of the Electricity Act 1989; and
- “UK marine area” has the meaning given by section 245(1) (interpretation of Chapter 1)”

***Member's explanatory statement***

*The amendments to add a new Chapter in the name of Lord Teverson seek to include provisions within the bill that remove legislative barriers to the electrification and decarbonisation of oil and gas facilities.*

**After Clause 264**

LORD TEVERSON  
LORD LENNIE

**130** After Clause 264, insert the following new Clause –

**“Net Zero duty**

- (1) In section 4AA of the Gas Act 1986 (the principal objective and general duties of the Secretary of State and the Authority), 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 (the principal objective and general duties of the Secretary of State and the Authority), 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 SHEEHAN

131 After Clause 264, insert the following new Clause –

**“Prohibition of new coal mines**

- (1) 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.
- (2) Regulations under this section are subject to the affirmative procedure.”

*Member's explanatory statement*

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

LORD LENNIE  
BARONESS BLAKE OF LEEDS

132 After Clause 264, insert the following new Clause –

**“Environmental and net zero remit for the 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 the 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 the GEMA a mandate for considering the role of energy in supporting Government policy of achieving net zero.*

BARONESS HAYMAN  
LORD HOLLICK  
BARONESS ALTMANN  
LORD TEVERSON

133 After Clause 264, insert the following new Clause –

**“GEMA general duties relating to climate change**

- (1) In section 3A(1A) of the Electricity Act 1989 (the principal objective and general duties of the Secretary of State and the Authority), for paragraph (a) substitute –
  - “(a) their interests in enabling the Secretary of State to meet the targets set under Part 1 of the Climate Change Act 2008 (UK net zero emissions target and budgeting);”.

- (2) In section 4AA(1A) of the Gas Act 1986 (the principal objective and general duties of the Secretary of State and the Authority), for paragraph (a) substitute –
- “(a) their interests in enabling the Secretary of State to meet the targets set under Part 1 of the Climate Change Act 2008 (UK net zero emissions target and budgeting);”.

***Member's explanatory statement***

*This amendment seeks to include within Ofgem's general duties a specific requirement to have regard to meeting the UK's net zero emissions target.*

BARONESS BOYCOTT  
BARONESS BENNETT OF MANOR CASTLE  
LORD LUCAS

**134** 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  
LORD LUCAS

135 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.*

LORD RAVENSDALE  
BARONESS WORTHINGTON

136

After Clause 264, 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) in the first place it appears, 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 overall energy system efficiency 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 was 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,”.

## LORD RAVENSDALE

137★ After Clause 264, insert the following new Clause –

**“Green Financing Framework: nuclear energy generation**

The Treasury must designate nuclear energy generation as eligible green expenditure for the purposes of its Green Financing Framework.”

## LORD TEVERSON

138★ After Clause 264, insert the following new Clause –

**“North Sea Transition Authority**

The Oil and Gas Authority is renamed as the North Sea Transition Authority.”

*Member's explanatory statement*

*The Oil and Gas Authority has been operating under the name “North Sea Transition Authority” since March 2022 but this change has not placed on a legislative footing; this amendment seeks to do so.*

**Clause 266**

## LORD CALLANAN

139 Clause 266, page 230, line 18, at end insert –

- “(4A) Where regulations under this Act are subject to the made affirmative procedure, the statutory instrument containing them must be laid before Parliament after being made.
- (4B) Regulations under this Act contained in a statutory instrument laid before Parliament under subsection (4A) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument is made unless, during that period, the instrument is approved by a resolution of each House of Parliament.
- (4C) In calculating the period of 28 days, no account is to be taken of any whole days that fall within a period during which –
- (a) Parliament is dissolved or prorogued, or
  - (b) either House of Parliament is adjourned for more than four days.
- (4D) If regulations cease to have effect as a result of subsection (4B), that does not –
- (a) affect the validity of anything previously done under the regulations, or
  - (b) prevent the making of new regulations.”

*Member's explanatory statement*

*This amendment makes provision about the “made affirmative” procedure for the purposes of the amendment in the name of Lord Callanan at page 161, line 15.*

## LORD CALLANAN

140 Clause 266, page 230, line 21, at end insert “or the made affirmative procedure”

*Member's explanatory statement*

*This amendment is consequential on the amendment in the name of Lord Callanan at page 230, line 18.*

## LORD CALLANAN

141 Clause 266, page 230, line 21, at end insert –

“(5A) Any provision that may be included in regulations under this Act subject to the made affirmative procedure may be made by regulations subject to the affirmative procedure.”

*Member's explanatory statement*

*This amendment is consequential on the amendment in the name of Lord Callanan at page 230, line 18.*

**Clause 267**

## LORD CALLANAN

142 Clause 267, page 230, line 27, at end insert “and “the made affirmative procedure” is to be construed in accordance with section 266(4A)”

*Member's explanatory statement*

*See the amendment in the name of Lord Callanan at page 230, line 18.*

**Clause 269**

## LORD CALLANAN

143 Clause 269, page 231, line 38, at end insert –

“(ca) section (*Treatment of recycled carbon fuel and nuclear-derived fuel as renewable transport fuel*);”

*Member's explanatory statement*

*This amendment provides that the new Clause inserted after Clause 113 by the amendment in Lord Callanan’s name comes into force two months after Royal Assent.*

# Energy Bill [HL]

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MARSHALLED  
LIST OF AMENDMENTS  
TO BE MOVED  
ON REPORT

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*24 March 2023*

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