

ENERGY ACT 2013

EXPLANATORY NOTES

SUMMARY AND BACKGROUND

Part 6: Consumer Protection and Miscellaneous

Consumer Protection

48. The provisions in this Chapter are aimed at directly supporting consumers' interests by reforming the tariffs available to them and providing a means of direct redress from energy companies. The provisions establish powers for the Secretary of State to establish a tariff regime for gas and electricity suppliers that will ensure consumers are on the cheapest deal from their supplier that meets their preferences. They allow the Secretary of State to extend the licence regime governed by the Authority to third-party intermediaries, such as switching websites. They also introduce a new enforcement power to require energy companies which breach licence conditions to provide redress to consumers.

Fuel Poverty

49. The sections amending the Warm Homes and Energy Conservation Act 2000 require a new objective for addressing fuel poverty in England to be set through secondary legislation, together with a target date for achieving the new objective. The Secretary of State is separately required to prepare and publish a strategy for achieving the new objective. The sections replace the existing provisions of section 2 of that Act insofar as they apply to England.

Feed-in Tariffs

50. The Feed-in tariff scheme established under sections 41 to 43 of the Energy Act 2008 currently applies to installations with a capacity of 5 megawatts or less. Section 146 confers a power on the Secretary of State to increase the specified maximum capacity of installations eligible for the scheme to 10 megawatts.

Offshore Transmission

51. Developers constructing an offshore generating station have the choice of also constructing the offshore transmission assets for the purposes of connecting the electricity generated to the National Electricity Transmission System (NETS), before transferring the assets to an Offshore Transmission Owner (OFTO) appointed through a competitive tender process (the generator build model). Section 4(1)(b) of the Electricity Act 1989 prohibits the transmission of electricity to any premises without a licence. Section 147 amends section 4 in respect of specific transmission activities to exclude offshore transmission during a commissioning period in certain circumstances.

Fees for services provided for energy resilience purposes

52. [Section 148](#) introduces a power for the Secretary of State to charge fees for services or facilities provided in the exercise of energy resilience powers.

Nuclear decommissioning costs

53. Under Chapter 1 of Part 3 of the Energy Act 2008 the Secretary of State can recover from prospective nuclear operators the costs incurred in obtaining advice in considering a funded decommissioning programme (“FDP”) once submitted to him or her for approval. The new provisions will extend the circumstances under which the Secretary of State can recover these costs when considering FDP proposals, related agreements and agreements for the disposal of hazardous nuclear waste.

Smoke and carbon monoxide alarms

54. [Section 149](#) introduces a power for the Secretary of State to make regulations imposing duties on landlords of residential properties in England to install smoke and carbon monoxide alarms in their properties. The section also makes provision about the enforcement of such duties.