



Energy Prices Act 2022

2022 CHAPTER 44

Reducing the price of electricity

16 Temporary requirement for electricity generators to make payments

- (1) The Secretary of State may, for a purpose mentioned in subsection (2), make regulations for, and in connection with, requiring periodic payments to be made to a payment administrator by—
- (a) specified electricity generators,
 - (b) electricity generators that are of a specified description, or
 - (c) electricity generators that are designated by the Secretary of State in accordance with the regulations.
- (2) The purposes are—
- (a) the purpose of enabling a payment administrator to obtain funds for paying to electricity suppliers in connection with reducing the cost to customers of electricity;
 - (b) the purpose of enabling a payment administrator to obtain funds for meeting expenditure incurred or to be incurred by the Secretary of State in reducing the cost to customers of electricity.
- (3) Regulations under this section may include—
- (a) provision about the method by which the amount of a periodic payment is to be calculated;
 - (b) provision for determining the time at which a periodic payment is to be made;
 - (c) provision requiring the making of an advance payment in respect of a potential liability to make a periodic payment and about balancing payments;
 - (d) provision about interest on a late payment and penalties for a late payment;
 - (e) provision for a payment, interest or a penalty to be recoverable by a payment administrator as a civil debt;
 - (f) provision for amounts received by a payment administrator to be paid by the payment administrator to electricity suppliers or into the Consolidated Fund;

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- (g) provision imposing on an electricity supplier that receives a payment from a payment administrator a requirement to secure that customers of the electricity supplier receive, by a specified time, such benefit from the payment as may be specified or determined in accordance with the regulations;
 - (h) provision for amounts received by a payment administrator to be retained by the payment administrator to meet expenditure incurred by the payment administrator in exercising functions under the regulations;
 - (i) provision conferring functions in connection with the application, monitoring or enforcement of the regulations on the Secretary of State, a payment administrator, GEMA, the Northern Ireland Regulator or any other person;
 - (j) provision conferring functions in connection with the application, monitoring or enforcement of the regulations on a person designated by the Secretary of State in accordance with the regulations;
 - (k) provision conferring powers on any person to require information for the purpose of exercising their functions under the regulations;
 - (l) provision for anything which is to be calculated or determined under the regulations to be calculated or determined by such persons, in accordance with such procedure and by reference to such matters and to the opinion of such persons, as may be specified in the regulations;
 - (m) provision for an appeal against a calculation, determination or other decision made under the regulations;
 - (n) provision to deal with the consequences of, or to prohibit or otherwise regulate, transactions or arrangements that undermine the effectiveness of the regulations.
- (4) The provision made by virtue of subsection (3)(a) must require the amount of a periodic payment to be calculated by reference to the quantity of electricity generated during the period in question by the relevant generating station with which the electricity generator is concerned.
- (5) The provision made by virtue of subsection (3)(i) may include provision conferring a power on the Secretary of State to direct that an electricity generator specified in, or of a description specified in, the direction is not liable to make further payments under the regulations.
- (6) The provision made by virtue of subsection (3)(i) may include provision for requirements imposed on a person by the regulations to be enforceable—
- (a) by GEMA—
 - (i) as if they were relevant requirements for the purposes of section 25 of the Electricity Act 1989, and
 - (ii) as if the person were a regulated person for the purposes of that section (if that is not in fact the case);
 - (b) by the Northern Ireland Regulator—
 - (i) as if they were relevant requirements for the purposes of Article 41A of the Energy (Northern Ireland) Order 2003 (S.I. 2003/419 (N.I. 6)), and
 - (ii) as if the person were a regulated person for the purposes of that Article (if that is not in fact the case).
- (7) The first regulations under this section are subject to the affirmative procedure.
- (8) Any other regulations under this section are subject to the negative procedure.

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(9) For provision imposing a time limit relevant to the exercise of the powers conferred by this section, see Schedule 6.

(10) In this section—

“electricity generator” means a person who owns or has any interest in a relevant generating station; and a reference to the relevant generating station with which an electricity generator is concerned is to be read accordingly;

“electricity supplier” means a person who is a holder of a licence to supply electricity under—

(a) section 6(1)(d) of the Electricity Act 1989, or

(b) Article 10(1)(c) of the Electricity (Northern Ireland) Order 1992 ([S.I. 1992/231 \(N.I. 1\)](#));

“generating station” means a station which generates electricity or any part of such a station;

“payment administrator” means a person specified as a payment administrator for the purposes of regulations under this section;

“relevant generating station” means a generating station—

(a) in respect of which no contract for difference has effect under Chapter 2 of Part 2 of the Energy Act 2013 (ignoring any contract for difference under which no payments have begun to fall due), and

(b) that is not an accredited FIT installation within the meaning of the Feed-in Tariffs Order 2012 ([S.I. 2012/2782](#));

“specified”, except in subsection (5), means specified in regulations under this section.

Commencement Information

II S. 16 in force at Royal Assent, see [s. 30\(6\)](#)

17 Power to require information in connection with regulations under section 16

(1) The Secretary of State may direct an electricity generator to provide the Secretary of State with such specified information as the Secretary of State may reasonably require in connection with the making of regulations under section 16.

(2) A direction under this section must be in writing.

(3) An electricity generator to whom a direction is given under this section must, so far as reasonably practicable, provide the Secretary of State with the specified information—

(a) within the specified period, and

(b) in the specified form and manner.

(4) A direction under this section is enforceable by the Secretary of State in civil proceedings—

(a) for an injunction,

(b) for specific performance of a statutory duty under section 45 of the Court of Session Act 1988, or

(c) for any other appropriate remedy or relief.

(5) In this section—

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“electricity generator” has the same meaning as in section 16;
“information” includes documents;
“specified” means specified in the direction.

Commencement Information

I2 S. 17 in force at Royal Assent, see [s. 30\(6\)](#)

18 Contracts for difference

- (1) The Energy Act 2013 is amended as follows.
- (2) In section 6 (power to make regulations about contracts for difference for the purpose of encouraging low carbon electricity generation)—
 - (a) after subsection (1) insert—

“(1A) The reference in subsection (1) to encouraging low carbon electricity generation includes encouraging the continuation of, or an increase in, low carbon electricity generation by existing generating stations.”, and
 - (b) in subsection (8), after paragraph (a) insert—

“(aa) the first regulations made after the passing of the Energy Prices Act 2022 which make provision falling within each of the sections mentioned in paragraph (a);”.
- (3) In section 7 (designation of a CFD counterparty), in subsection (5), omit the words from “, but only” to the end.
- (4) In section 17 (payments to electricity suppliers), after subsection (2) insert—

“(2A) Regulations may make provision imposing on an electricity supplier who receives a payment from a CFD counterparty a requirement to secure that customers of the electricity supplier 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.”
- (5) In section 19 (information and advice)—
 - (a) in subsection (2)—
 - (i) in paragraph (c), after “the Northern Ireland system operator” insert “, an electricity supplier”,
 - (ii) after paragraph (c) insert—
 - “(ca) for the Authority to require information to be provided to it by a CFD counterparty or electricity suppliers;
 - (cb) for the Northern Ireland Authority for Utility Regulation to require information to be provided to it by a CFD counterparty or electricity suppliers;”, and
 - (iii) in paragraph (e), after “to it by” insert “the Authority, the Northern Ireland Authority for Utility Regulation,”, and
 - (b) in subsection (4), at the beginning insert “Except as provided by regulations,”.

Changes to legislation: *There are currently no known outstanding effects for the Energy Prices Act 2022, Cross Heading: Reducing the price of electricity. (See end of Document for details)*

Commencement Information

I3 [S. 18](#) in force at 25.12.2022, see [s. 30\(5\)](#)

Changes to legislation:

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