



Energy Act: Fees for services provided for energy resilience purposes

Issue: To enable DECC to charge fees for providing energy resilience services in the event of a disruption or threatened disruption to energy supplies.

Policy commitment:

Government is committed to working with business and regulators to reduce the likelihood of disruptions to energy and fuel supplies, and to ensure that contingency arrangements are in place to respond to emergencies when they occur.

Legislative proposal:

This provision will enable DECC to charge fees for providing energy resilience services in the event of a disruption or threatened disruption to energy supplies. It will allow government to recoup some or all of the costs of support services provided to businesses, and to set appropriate fees for those services.

Relationship to other legislative proposals:

None

Background:

In the event of a major disruption, Government could provide support for business in the form of services (for example personnel, supplies, equipment or assets). This could be a useful tool as part of an effective response to improve the resilience of essential services in event of a disruption. Provision of these types of services comes at an additional cost and so Government may only be in a position to provide such services to business if it can recover some or all of the cost it incurs in doing so.

Examples of where Government could provide a service, for which it might be appropriate to charge business, would be provision of:

- Personnel in event of widespread impacts on workers due to pandemic flu or industrial action;
- Equipment or vehicles which have greater flexibility in extreme weather conditions allowing companies to carry out repairs or clean up more effectively;
- Assets to enable a critical component of the supply chain to remain viable in the short term, and until alternative options are identified.

At present DECC does not have the relevant powers to charge fees for provision of such services to the energy sector, unless the services can clearly be defined as commercial services.