



Department for
Energy Security
& Net Zero

Exemption from the requirement for a licence to generate electricity

Proposal to make the Electricity (Individual
Exemption from the Requirement for a
Generation Licence) (Slough Multifuel)
(England) Order 2024



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Any enquiries regarding this publication should be sent to us at: exemptions@energysecurity.gov.uk

Contents

Summary	4
Introduction	5
Legislative background	5
Exemptions policy	6
Reasons for proposed Order	6
Conditions	7
Representations and timetable	7
Regulatory impact assessment	7

Summary

The Secretary of State, pursuant to section 5(2) and (3) of the Electricity Act 1989 (“the Electricity Act”) as amended, hereby gives notice that she proposes to make an order under section 5(1) of the Electricity Act granting exemptions from the requirement to hold a generation licence under section 4(1)(a) of the Electricity Act to:

- SSE Slough Multifuel Limited in respect of the Slough Multifuel Generating Station, a 60MW plant situated on the Slough Trading Estate, within the town of Slough, England.

The Secretary of State’s reasons for making this order in the terms proposed are set out in the document entitled “Exemption from the Requirement for a Licence to Generate Electricity: Proposal to Make the Electricity (Individual Exemptions from the Requirement for a Generation Licence) (Slough Multifuel) (England) Order 2024. The terms of the proposed draft exemption order are set out in the appendix to that document.

Representations may be made with respect to the proposal in the document by **30 January 2024** addressed to:

chris.chown@energysecurity.gov.uk

Introduction

The Secretary of State proposes to make the Electricity (Individual Exemptions from the Requirement for a Generation Licence) (Slough Multifuel) (England) Order 2024 (“the draft Order”) under section 5(1) of the Electricity Act 1989 (“the Electricity Act”), as amended, granting exemptions from the requirement to hold a generation licence to:

- SSE Slough Multifuel Limited in respect of The Slough Multifuel Generating Station, a 60MW plant situated on the Slough Trading Estate, within the town of Slough, England.

Legislative background

Section 4(1)(a) of the Electricity Act makes it an offence for a person to generate electricity for the purpose of giving a supply to any premises or enabling a supply to be so given unless they hold a licence or exemption from the requirement to hold a licence. Section 5(1) of the Electricity Act provides that the Secretary of State may, by order, grant exemption from section 4(1)(a). Section 5(2) of the Electricity Act sets out the procedure for making such an order.

On 1 October 2001, the Electricity (Class Exemptions from the Requirement for a Licence) Order 2001 (“the Class Exemptions Order”) came into force. Among other things, the Class Exemptions Order continued the ‘Class C exemption’ previously comprised in the Electricity (Class Exemptions from the Requirement for a Licence) (England and Wales) Order 1997 for persons operating generating stations with existing energised connections on 30 September 2000 that did not provide more than 100 MW of power to the total system (Schedule 2, Class C of the Class Exemptions Order).

The Class C exemption does not exempt those who propose to operate plants which did not have existing energised connections on 30 September 2000 – even where those plants export no more than 100 MW to the total system. Consequently, generators with new plant similar in size to that set out in the Class C exemption, which were not connected to the total system on 30 September 2000, and seek a licence exemption, must apply to the Secretary of State for individual exemption under section 5 of the Electricity Act or obtain a licence.

Exemptions policy

The DEZLN exemptions policy ‘Electricity Generation, Distribution and Supply Licence Exemptions’ – sets out the policy relating to class exemptions and individual exemptions. The general policy is that applications for individual generation exemptions should only be considered in respect of stations of less than 100MW capacity, whilst stations capable of exporting more than 100MW should be licensed. This is because plant of less than 100MW capacity will “generally have a low impact on the total electricity system and it is considered appropriate therefore that, subject to consultation, such stations be exempted from the same degree of system regulation (and costs) as imposed by standard licensing conditions”.

The policy also requires applicants to demonstrate that exemption “does not pose a threat to the safe and secure operation of the electricity system or the interests of consumers and why it would be disproportionate to meet the costs and obligations of a licence”.

Reasons for proposed Order

The Secretary of State has carefully considered the application to grant exemption in respect of the Slough Multifuel generating station. The application concerns a station of less than 100MW capacity. Taking account of the amount of electrical power that could be exported to the total system in England and Wales by this station, the Secretary of State has provisionally concluded that this exemption would generally have a low impact on the total electricity system. The exemption would not pose a threat to the safe and secure operation of the electricity system or the interests of consumers. Additionally, it would be disproportionate to require the applicant to meet the costs and obligations of holding a electricity generation licence in respect of the station. The Secretary of State is therefore proposing to grant the exemption through the attached draft Exemption from the Requirement for a Licence to Generate Electricity: Proposal to Make the Electricity (Individual Exemptions from the Requirement for a Generation Licence) (Slough Multifuel) (England) Order 2024.

Conditions

The conditions proposed to be included in respect of any such exemption are that:

- The generating station is connected to the total electricity system;
- Except in circumstances outside the reasonable control of the operator, the generating station is not normally capable of exporting more electrical power than 100 megawatts to the total electricity system ; and
- The applicant does not hold a generation licence under section 6(1)(a) of the Electricity Act 1989.

Representations and timetable

Any representations on the issues raised in this document and the proposal must be made **by 30 January 2024** and should be made to: Chris Chown (email: chris.chown@energysecurity.gov.uk)

Regulatory impact assessment

A Regulatory Impact Assessment has not been made in respect of the draft Exemption from the Requirement for a Licence to Generate Electricity: Proposal to Make the Electricity (Individual Exemptions from the Requirement for a Generation Licence) (Slough Multifuel) (England) Order 2024. A general regulatory impact assessment in respect of exemptions from the requirements of section 4(1)(a) of the Electricity Act 1989 was prepared in 2001. Copies have been placed in the libraries of both Houses of Parliament.

This publication is available from: www.gov.uk/government/publications/electricity-generation-licence-exemption-slough-multifuel-generating-station

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