

2024 No. ****

ELECTRICITY

The Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2024

Made - - - - - ***
Laid before Parliament - - - - - ***
Coming into force - - - - - ***

The Secretary of State makes this Order in exercise of the powers conferred by section 5(1) of the Electricity Act 1989(a).

The Secretary of State has given notice of the proposal to make this Order in accordance with section 5(2) and 5(3) of that Act, and consulted with the Scottish Ministers(b), and has considered any representations made.

Citation, commencement and extent

- 1.—(1) This Order may be cited as the Electricity (Class Exemptions from the Requirement for a Licence) (Amendment) Order 2024 and comes into force on [insert date].
- (2) This Order extends to England and Wales and Scotland.

Interpretation

- 2. In this Order “the Class Exemptions Order 2001” means the Electricity (Class Exemptions from the Requirement for a Licence) Order 2001(c).

Amendment to the Class Exemptions Order 2001

- 3.—(1) The Class Exemptions Order 2001 is amended as set out in the Schedule.
- (2) Any reference in the Schedule to a numbered article or Schedule is to the article or Schedule so numbered in the Class Exemptions Order 2001.

Date *Insert Name*
[Insert Title]
Department for Energy Security and Net Zero

(a) 1989 c. 29; section 5 was substituted by section 29 of the Utilities Act 2000 (c. 27).
(b) Under article 4 of, and Schedule 3 to, the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 1999 (S.I. 1999/1750), functions under section 5(1) of the Electricity Act 1989 are, in so far as they are exercisable in or as regards Scotland, only exercisable after consultation with the Scottish Ministers.
(c) S.I. 2001/3270.

SCHEDULE

Article 3(1)

Amendments to the Class Exemptions Order 2001

Article 2 (interpretation)

1. In article 2 (interpretation), at the appropriate places, insert—

““array transmission” means transmission over a high voltage array system;”;

““co-ordination licence” means a licence which authorises a person to co-ordinate and direct the flow of electricity onto and over a transmission system—

- (a) by means of which the transmission of electricity takes place; and
- (b) the whole or a part of which is in Great Britain or offshore waters;”;

““high voltage array system” means a transmission system—

- (a) which is located in offshore waters;
- (b) which is connected directly to an offshore generating station;
- (c) which is used by the person who generates electricity at that offshore generating station for conveying electricity to a primary offshore converter substation; and
- (d) in respect of which no bilateral agreement has been entered with the holder of a co-ordination licence in accordance with the arrangements for connection and use of transmission systems;”;

““offshore converter substation” means a substation which—

- (a) is located wholly in offshore waters;
- (b) is composed of a structure serving as a collection point for electric line and electrical plant; and
- (c) contains equipment for the purpose of transforming electricity for conveyance onto and over a transmission system which forms, or is proposed to form, any part of a project which meets the requirements of regulation 8(6)(a) or (b) of the Electricity (Competitive Tenders for Offshore Transmission Licences) Regulations 2015(a);”;

““offshore generating station” means a generating station that is located in offshore waters;”;

““offshore waters” means—

- (a) waters in or adjacent to Great Britain which are between the mean low water mark and the seaward limits of the territorial sea;
- (b) waters within an area designated under section 1(7) of the Continental Shelf Act 1964(b);
- (c) waters within an area designated under section 84(4) of the Energy Act 2004(c);”;

(a) S.I. 2015/1555.
(b) 1964 c. 29.
(c) 2004 c. 20.

““primary offshore converter substation” means, in respect of electricity conveyed from an offshore generating station, the first or only offshore converter substation through which the electricity passes;”.

Article 3 (exemptions from section 4 of the Act)

2. In article 3 (exemptions from section 4 of the Act)—

(a) omit the “and” after paragraph (1)(b);

(b) after paragraph (1)(c), insert—

“; and

(d) from section 4(1)(b) of the Act to a person specified in Schedule 5”; and

(c) for paragraph (2), substitute—

“(2) A person shall be treated as falling within any class specified in Schedule 2, 3, 4 or 5 notwithstanding that the person generates, distributes, supplies or transmits electricity, as the case may be, in circumstances other than those specified in the description of that class if the generation, distribution, supply or transmission of electricity in those circumstances would, if taken on its own, be such that that person would fall within another class in Schedule 2, 3, 4 or 5 as the case may be.”.

Schedule 3 (exemptions from section 4(1)(bb) of the Act (distribution exemptions))

3. In Schedule 3 (exemptions from section 4(1)(bb) of the Act (distribution exemptions)), omit paragraph D.1.

New Schedule 5 (exemptions from section 4(1)(b) of the Act (transmission exemptions))

4. After Schedule 4 (exemptions from section 4(1)(c) of the Act (supply exemptions)), insert—

“SCHEDULE

Article 3(1)(d)

EXEMPTIONS FROM SECTION 4(1)(b) OF THE ACT (TRANSMISSION EXEMPTIONS)

Array transmission

1. Persons (other than licensed transmitters) who do not at any time participate in transmission other than array transmission.”.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Electricity (Class Exemptions from the Requirement for a Licence) Order 2001 (S.I. 2001/3270) (“the Class Exemptions Order 2001”) to grant exemption from the requirement of section 4(1)(b) of the Electricity Act 1989 (“the Act”) (which prohibits the transmission of electricity without a licence) to persons in respect of transmission over high voltage array systems. Article 2 of the Class Exemptions Order 2001 is amended to insert a

description of transmission over high voltage array systems (which are as a type of transmission system under the Act) and Article 3 is amended to introduce the class of persons who benefit from the class exemption as set out in a new Schedule 5 to the Class Exemptions Order 2001.

An impact assessment has been produced for this instrument and is available at [to insert address].

DRAFT