



Department for
Energy Security
& Net Zero

Exemption from the requirement to supply electricity

Proposal to make The Electricity (Individual
Exemption From the Requirement for a
Supply Licence) (JG Pears Power Limited)
(England) Order 2025



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Executive Summary

The Secretary of State, pursuant to section 5(2) and (3) of the Electricity Act 1989 (“the Act”) as amended by the Utilities Act 2000, hereby gives notice that he proposes to make an order under section 5(1) of the Act granting exemption from the requirement to hold a supply licence under section 4(1)(c) of the Act to:

- JG Pears Power Limited, in respect of a supply of electricity to the Green Energy Business Park

The Secretary of State’s reasons for making such an order on the terms proposed are set out in the attached document entitled “The Electricity (Individual Exemption from the Requirement for a Supply Licence) (JG Pears Power Limited) (England) Order (“the Order”). The proposed terms of the Order are set out in the appendix to that document.

Representations may be made with respect to the proposal by 6th May to:

Chris Chown

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Introduction

The Secretary of State proposes to make the Electricity (Individual Exemption from the Requirement for a Supply Licence) (JG Pears Power Limited) (England) Order (“the Order”) under section 5(1) of the Electricity Act 1989 (“the Act”), granting exemption from the requirement to hold a supply licence to JG Pears Power Limited in respect of supply of electricity to the Green Energy Business Park, High Marnham, Nottinghamshire.

The Secretary of State proposes to make the Order subject to the conditions which are described below. This document explains why the Secretary of State proposes to make the Order, attaches a draft version of the Order and invites representations.

Legislative Background

Section 4(1)(c) of the Act makes it an offence for a person to supply electricity to any premises unless they hold a licence or exemption from the requirement to hold a licence. Section 5(1) of the Act provides that the Secretary of State may, by order, grant exemption from section 4(1)(c) to a person (described as an “individual exemption” in this document) or a class of persons. Section 5(2) of the 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”)¹ came into force. The Class Exemptions Order contains classes of generation, distribution and supply activity which are exempt from the requirement to hold a licence and therefore do not require a licence. Suppliers self-assess whether they fall under any of the exempt classes in Schedule 4 of the Class Exemptions Order.

Exemptions Policy

The DESNZ policy document ‘Electricity Generation, Distribution and Supply Licence Exemptions – FAQs’² (the “exemptions policy document”) sets out the exemptions policy relating to the Class Exemption Order and individual exemptions.

The Secretary of State considers each application for an individual exemption on its merits and in accordance with the exemptions policy. The exemptions policy document states that in most cases it is not appropriate to grant exemption from the requirement for a supply licence “because it is rarely considered appropriate for these activities not to be subject to the full terms of licensing regime” but that “applications for exemption where exceptional circumstances apply may still be possible”.

The exemptions policy document also highlights that in deciding an application for an individual exemption, the Secretary of State must act to further the principal objective set out in section

¹ <https://www.legislation.gov.uk/ukSI/2001/3270/contents>

² <https://www.gov.uk/guidance/electricity-licence-exemptions#frequently-asked-questions>

3A of the Act, which is to protect the interests of existing and future consumers in relation to electricity conveyed by distribution systems or transmission systems (including their interests in the reduction of emissions of targeted green-house gases and security of electricity supply), and wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity. In furthering the principal objective, the Secretary of State must also have regard to, among other things, the need to ensure security of supply and the need to contribute to the achievement of sustainable development.

Reasons For Proposed Order

The Secretary of State has carefully considered the application by JG Pears Power Limited, a subsidiary of JG Group Limited, for an individual exemption for a 37 Mega Watt (MW) supply of electricity to the Green Energy Business Park, High Marnham until 1st January 2035.

JG Pears Power Limited operates at sites in Low Marnham and High Marnham in Nottinghamshire. At its Green Energy Business Park, High Marham, JG Pears Power Limited plan to produce electrolytic green hydrogen. This is a joint venture with GeoPura and is part of the East Midlands Hydrogen project.

JG Pears Power Limited planned to power the High Marnham site via an on-site solar power installation. However, the site chosen for this installation has been acquired by National Grid (NGET). JG Pears Power Limited is now seeking other means of powering the hydrogen plant and they have therefore negotiated a contract with a licensed energy supplier to provide up to 37MW of 100% renewable energy to power the hydrogen production at the site. This will be in addition to power supplied from a biomass plant at Low Marnham.

Were a licensed energy supplier to act as the main party supplier for the High Marnham site, JG Pears Power Limited would incur additional costs for services provided (for example the payment of imbalance services, transmission charges and complex site allocation) which it wishes to avoid by having a wholesale rather than retail contract with the licensed supplier. JG Pears Power Limited believes it can adequately provide the necessary services as it does at its biomass plant at Low Marnham. JG Pears Power Limited also believes that the alternative option of holding a full supply licence itself would be prohibitive due to costs and the burden of compliance with full licensing conditions.

The Secretary of State has considered the circumstances of JG Pears Power Limited, including that:

- (a) JG Pears Power Limited could not foresee that its plans for a solar power installation would be halted by the need to find an alternative site for that installation. Thus, the situation it finds itself in is beyond its control and leaves it with limited options.
- (b) Its contracts with regard to the hydrogen plant at High Marnham cannot be renegotiated and the business plan is therefore directly impacted by the electricity supply issue and costs.

- (c) JG Pears Power Limited is only seeking a time limited exemption while the situation it finds itself in can be rectified. It intends to build and own suitable renewable generation as soon as possible, thus negating the need for an exemption from the Secretary of State.

The Secretary of State has provisionally concluded that consumer interests will not be disproportionately disadvantaged if an individual exemption is made in respect of supply which JG Pears Power Limited has self-assessed does not currently fall within the Class Exemptions Order. The Secretary of State has also provisionally concluded that an individual exemption would not pose a threat to the operation of the electricity system.

The Secretary of State notes that the circumstances of JG Pears Power Limited are exceptional. In consideration of this, the principal objective (described above), and the exemption policy document, the Secretary of State proposes to grant an individual exemption through the attached draft Electricity (Individual Exemption from the Requirement for a Supply Licence) (JG Pears Power Limited) (England) Order 2025, which will exempt JG Pears Power Limited in respect of a maximum 37MW supply to the Green Energy Business Park at High Marnham until 1st January 2035.

Conditions

The conditions of granting the exemption are that:

- (i) JG Pears Power Limited does not hold a supply licence under section 6(1)(d) of the Act;
- (ii) except in circumstances outside its reasonable control, JG Pears Power Limited must not at any time supply more than 37 megawatts of electricity to the Green Energy Business Park at High Marnham; and
- (iii) the exemption ends on 1st January 2035.

Representation and Timetable

Representations on the issues raised in this document and the proposal may be made by 6th May 2025 and should be made to:

Chris Chown

Telephone: 0300 068 6085

Email: chris.chown@energysecurity.gov.uk

Regulatory Impact Assessment

A Regulatory Impact Assessment has not been made in respect of the draft The Electricity (Individual Exemption from the Requirement for a Supply Licence) (JG Pears Power Limited) (England) Order 2025 because the impact has been assessed to be de-minimis.

Draft Order

STATUTORY INSTRUMENTS

2025 No.

ELECTRICITY, ENGLAND

The Electricity (Individual Exemption from the Requirement for a Supply Licence) (JG Pears Power Limited) (England) Order 2025

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

The Secretary of State makes this Order in exercise of the powers conferred by section 5(1) and (6)(b) 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 (3) of that Act[, and has considered any representations made].

Citation, commencement, extent and application

1.—(1) This Order may be cited as the Electricity (Individual Exemption from the Requirement for a Supply Licence) (JG Pears Power Limited) (England) Order 2025 and comes into force on [xx] [xx] 2025.

(2) This Order extends to England and Wales and Scotland.

(3) This Order applies in relation to England only.

Exemption from prohibition of unlicensed supply of electricity

2.—(1) Exemption is granted from section (4)(1)(c) of the Act (prohibition of unlicensed supply of electricity to any premises) to JG Pears Power Limited, in respect of supply(b) of electricity to Green Energy Business Park.

(2) Exemption granted by paragraph (1) of this article applies for the period beginning with the day after the day on which this Order comes into force, and ending with 31st December 2034.

(3) Exemption granted by paragraph (1) is subject to the following conditions—

(a) JG Pears Power Limited does not hold a supply licence under section 6(1)(d) of the Act(c);

(a) 1989 c. 29; section 5 was substituted by section 29 of the Utilities Act 2000 (c. 27). A relevant amendment was made by S.I. 2012/2400.

(b) The definition of “supply” in section 4(4) of the Act was substituted by section 179(1) of the Energy Act 2004 (c. 20).

(c) Section 6 of the Act was substituted by section 30 of the Utilities Act 2000. Section 6 has been amended by other instruments, but those amendments are not relevant to this Order.

- (b) except in circumstances outside its reasonable control, JG Pears Power Limited must not at any time supply more than 37 megawatts of electricity to Green Energy Business Park.
- (4) In this article—
- “the Act” means the Electricity Act 1989;
- “Green Energy Business Park” means the business park (including a hydrogen production plant) located at High Marnham, Nottinghamshire, whose entrance is situated at Ordnance Survey map reference SK 808 709;
- “JG Pears Power Limited” means the company of that name registered in England with company number 09998472.

[xx]
Secretary of State
Department for Energy Security and Net Zero

EXPLANATORY NOTE

(This note is not part of the Order)

This Order grants exemption from the requirement to hold an electricity supply licence.

Section 4(1)(c) of the Electricity Act 1989 prohibits the supply of electricity to any premises without a licence. The Secretary of State, exercising the powers under section 5(1) of that Act, grants a time-limited exemption from the requirement to hold a supply licence to JG Pears Power Limited in respect of supply of electricity to Green Energy Business Park.

A full impact assessment has not been produced for this instrument as it is a temporary measure. No, or no significant, impact on the private, voluntary or public sector is foreseen.

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