

# Exemption from the Requirement to Generate Electricity

Proposal to make The Electricity (Individual Exemption From the Requirement for a Generation Licence) (Riverside Energy Park) (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 Electricity Act") as amended, hereby gives notice that he 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:

• Riverside Energy Park Limited in respect of the Riverside 2 energy from waste facility, a 75 megawatt (MW) generating plant in Belvedere, East London.

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) (Riverside Energy Park) (England) Order 2025. 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 6 August 2025 addressed to: -

Telephone: 07471 358024

Email: chris.chown@energysecurity.gov.uk

### Introduction

The Secretary of State proposes to make the Electricity (Individual Exemptions from the Requirement for a Generation Licence) (Riverside Energy Park) (England) Order 2025 ("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 Riverside Energy Park Limited in respect of the Riverside 2 energy from waste facility, a 75 MW generating plant in Belvedere, East London.

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)(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, must apply to the Secretary of State for individual exemption under section 5 of the Electricity Act or obtain a licence.

### **Exemptions Policy**

The Secretary of State considers each application for an individual exemption on its merits and in accordance with the exemptions policy.

The DESNZ policy document 'Electricity Generation, Distribution and Supply Licence Exemptions – FAQs'<sup>1</sup> (the "exemptions policy document") sets out the exemptions policy relating to the Class Exemption Order 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 Riverside 2 energy from waste facility. 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) (Riverside Energy Park) (England) Order 2025.

### 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

<sup>&</sup>lt;sup>1</sup> <u>https://www.gov.uk/guidance/electricity-licence-exemptions#frequently-asked-questions</u>

The applicant does not hold a generation licence under section 6(1)(a) of the Electricity Act 1989.

### **Representation and Timetable**

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

Chris Chown

Telephone: 07471358024

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 Generation Licence) (Riverside Energy Park) (England) Order 2025 because the impact has been assessed to be de-minimis.

Draft Order

#### STATUTORY INSTRUMENTS

#### No.

### **ELECTRICITY, ENGLAND**

The Electricity (Individual Exemption from the Requirement for a Generation Licence) (Riverside Energy Park Limited) (England) Order 2025

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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 (3) of that Act [and has considered any representations made]. OR [No representations in respect of the proposal have been made].

#### Citation, commencement, extent and application

**1.**—(1) This Order may be cited as The Electricity (Individual Exemption from the Requirement for a Generation Licence) (Riverside Energy Park Limited) (England) Order 2025 and comes into force on [xx] [xx] 2025.

(2) The Order extends to England, Wales and Scotland.

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

#### Interpretation

2. In this Order—

"the Act" means the Electricity Act 1989;

"Riverside 2" means the energy from waste facility which is located in Belvedere, London, England, whose entrance is situated at Ordnance Survey map reference TQ 495 806;

"Riverside Energy Park Limited" means the company of that name registered in England and Wales with company number 11536739;

<sup>(</sup>a) 1989 c. 29. Section 5 was substituted by section 29 of the Utilities Act 2000 (c. 27). Section 5 has been amended by other instruments, but those amendments are not relevant to this Order.

"the total system" means all transmission systems and distribution systems, located in Great Britain, of holders of licences under section 6(1)(b) and (c) of the Act(**a**).

#### Exemption from prohibition of unlicensed generation of electricity for supply

**3.** Exemption is granted from section 4(1)(a) of the Act (prohibition of unlicensed generation of electricity for supply) to Riverside Energy Park Limited in respect of Riverside 2.

#### **Conditions on exemption**

**4.** The exemption granted by article 3 of this Order is subject to compliance with the following conditions—

- (a) Riverside 2 is connected to the total system;
- (b) Riverside 2 does not export more than 100 megawatts of electrical power to the total system, except in circumstances outside the reasonable control of Riverside Energy Park Limited;
- (c) Riverside Energy Park Limited does not hold a licence under section 6(1)(a) of the Act in relation to Riverside 2.

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

<sup>(</sup>a) Section 6 was substituted by section 40 of the Utilities Act 2000 (c. 27) and section 6(1)(b) was further substituted by section 136(1) of the Energy Act 2004 (c. 20). Section 6 has been amended by other instruments, but those amendments are not relevant to this Order.

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