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DRAFT STATUTORY INSTRUMENTS

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**2026 No.**

**ELECTRICITY**

**ENERGY**

**The Electricity Act 1989 (Load Control Licence) Regulations 2026**

*Made - - - - - \*\*\**

*Coming into force in accordance with regulation 1(2) and (3)*

The Secretary of State makes these Regulations in exercise of the powers conferred by section 56FBA(1)(a), (4), (5)(a), (b) and (7)(a), (b), (c) and (e) of the Electricity Act 1989(a) (“the Act”).

The Secretary of State has consulted in accordance with section 56FBB(1) of the Act.

A draft of this instrument has been laid before Parliament and approved by a resolution of each House of Parliament in accordance with section 56FBB(4) of the Act.

**Citation, commencement and extent**

**1.**—(1) These Regulations may be cited as the Electricity Act 1989 (Load Control Licence) Regulations 2026.

(2) The following provisions come into force 12 months after the day on which these Regulations are made—

- (a) regulations 3 to 5, 8 to 14 and 16;
- (b) Schedule 2 (consequential, incidental and supplementary amendments coming into force 12 months after the making of these regulations).

(3) All other provisions come into force on the day after the day on which these Regulations are made.

(4) These Regulations extend to England and Wales and Scotland.

**Amendment of the Electricity Act 1989**

**2.** The Electricity Act 1989 is amended in accordance with regulations 3 to 14.

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(a) 1989 c. 29. Section 56FBA was inserted into the Act by section 249 of and paragraph 2 of Schedule 19 to the Energy Act 2023 (c. 52).

**Amendment to section 3A (the principal objective and general duties of the Secretary of State and the Authority)**

3. In section 3A(5) (the principal objective and general duties of the Secretary of State and the Authority)—

- (a) in paragraph (a), for “or to provide a smart meter communication service” substitute “, to provide a smart meter communication service or to carry on a load control activity”;
- (b) for “or the provision of a smart meter communication service”, in each place it occurs, substitute “, the provision of a smart meter communication service or the carrying on of a load control activity”.

**Amendment to section 4 (prohibition on unlicensed supply etc)**

4.—(1) Section 4 (prohibition on unlicensed supply etc) is amended as follows.

(2) In subsection (1)—

- (a) omit “or” at the end of paragraphs (b), (da) and (e);
- (b) at the end of paragraph (f) insert “, or
- (g) carries on a load control activity (see further subsections (3J) and (3K))”.

(3) After subsection (3I) insert—

“(3J) A reference in this Part to carrying on a load control activity is a reference to—

- (a) performing the function of a load controller, or
- (b) entering into a contract with a consumer to provide for the sending of a load control signal to an energy smart appliance at that consumer’s premises.

(3K) For the purposes of subsection (3J)—

- (a) a person performs the function of a load controller if they—
  - (i) create or change a load control signal, or
  - (ii) control the timing of the sending of a load control signal for the purpose of adjusting the immediate or future flow of electricity into or out of an energy smart appliance or another appliance in response to the load control signal;
- (b) a person does not perform the function of a load controller in relation to an energy smart appliance if they are an end-user of that energy smart appliance.”.

(4) After subsection (6) insert—

“(7) In this section—

“consumer” means a consumer in relation to electricity conveyed by distribution systems or transmission systems;

“energy smart appliance” has the meaning given by section 238(2) of the Energy Act 2023;

“load control signal” has the meaning given by section 238(4) of the Energy Act 2023;

“relevant electronic communications network” means an electronic communications network, being a transmission system for the conveyance, by the use of electrical, magnetic or electro-magnetic energy, of signals of any description.”.

### **Amendment to section 5 (exemptions from prohibition)**

5. In section 5(1) (exemptions from prohibition), for “or (f)” substitute “, (f) or (g)”.

### **Amendment to section 6 (licences authorising supply, etc)**

6.—(1) Section 6 (licences authorising supply, etc) is amended as follows.

(2) In subsection (1)—

- (a) omit “or” at the end of paragraphs (ea) and (f);
- (b) in paragraph (f), for “, or” substitute “;”;
- (c) at the end of paragraph (g) insert “, or
- (h) a licence authorising a person to carry on a load control activity (“a load control licence”)”.

(3) After subsection (6E), insert—

“(6F) A load control licence may authorise the holder to carry on a load control activity in any area, or only in an area specified in the licence.

(6G) The Authority may, with the consent of the holder of a load control licence, modify terms included in the licence in pursuance of subsection (6F) so as to extend or restrict the area in which the licence holder may carry on a load control activity.”.

(4) In subsection (7), for “or (6D)” substitute “, (6D) or (6G)”.

### **Standard conditions for load control licences**

7.—(1) The conditions set out in [Load Control Licence Conditions](a) published by the Secretary of State on [date] are determined by the Secretary of State to be standard conditions for the purposes of load control licences.

(2) The standard conditions have effect subject to any modifications made under—

- (a) Part 1 of the Electricity Act 1989, or
- (b) Part 9 of the Energy Act 2023(b).

(3) In section 8A (standard conditions of licences), after subsection (1C) insert—

“(1D) Subject to subsection (2), each condition which by virtue of regulation 7 of the Electricity Act 1989 (Load Control Licence) Regulations 2026 is a standard condition for the purposes of load control licences is incorporated, by reference, in each load control licence granted on or after the day on which regulation 6 of those Regulations comes into force.”.

(4) In this regulation, “load control licence” means a licence under section 6(1)(h) of the Electricity Act 1989 (inserted by regulation 4(2)(c) of these Regulations).

### **Amendment to section 29 (regulations relating to supply and safety)**

8. In section 29(1)(b) (regulations relating to supply and safety)—

- (a) for “or from the installation” substitute “, from the installation”;
- (b) after “electrical plant” insert “or from the carrying on of a load control activity”.

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(a) The [Load Control Licence Conditions] is available free of charge at [<https://www.ofgem.gov.uk/publications/licence-conditions/>]. A copy can also be obtained free of charge by appointment by contacting the Gas and Electricity Markets Authority at [address] or by email at [email].

(b) 2023 c. 52. There are other amendments but they are not relevant.

#### **Amendment to section 47 (general functions)**

9. In section 47(1) (general functions), for “and to the provision of smart meter communication services” substitute “, to the provision of smart meter communication services and to the carrying on of a load control activity”.

#### **Amendment to section 56A (power to alter activities requiring licence)**

10. In section 56A(4) (power to alter activities requiring licence), for “or with providing a smart meter communication service” substitute “with providing a smart meter communication service or with carrying on of a load control activity”.

#### **Amendment to section 58 (directions restricting the use of certain information)**

11. In section 58(2) (directions restricting the use of certain information), after “communication service” insert “or to carry on a load control activity”.

#### **Amendment to section 64 (interpretation etc of Part I)**

12. In section 64(1) (interpretation etc of Part I), at the appropriate place insert—
- ““carrying on a load control activity” has the meaning given by section 4(3J);”.

#### **Amendment of section 96 (directions for preserving security of electricity supplies etc)**

13. In section 96 (directions for preserving security of electricity supplies etc), after “service”, in each place it occurs, insert “or the carrying on of a load control activity”.

#### **Amendment of section 98 (provision of statistical information)**

14. In section 98(1) (provision of statistical information)—
- (a) after “provision of a smart meter communication service” insert “or the carrying on of a load control activity”;
  - (b) after “provide a smart meter communication service” insert “or to carry on a load control activity”.

#### **Consequential, incidental and supplementary amendments coming into force on the day after the day on which these Regulations are made**

15. Schedule 1 has effect.

#### **Consequential, incidental and supplementary amendments coming into force 12 months after the making of these Regulations**

16. Schedule 2 has effect.

#### **Review**

- 17.—(1) The Secretary of State must from time to time—
- (a) carry out a review of the regulatory provision contained in these Regulations, and
  - (b) publish a report setting out the conclusions of the review.
- (2) The first report must be published before the end of the period of five years beginning with the date on which regulation 1 of these Regulations come into force.
- (3) Subsequent reports must be published at intervals not exceeding five years.

(4) Section 30(4) of the Small Business, Enterprise and Employment Act 2015<sup>(a)</sup> requires that a report published under this regulation must, in particular—

- (a) set out the objectives intended to be achieved by the regulatory provision referred to in paragraph (1)(a),
- (b) assess the extent to which those objectives are achieved,
- (c) assess whether those objectives remain appropriate, and
- (d) if those objectives remain appropriate, assess the extent to which they could be achieved in another way which involves less onerous regulatory provision.

(5) In this regulation, “regulatory provision” has the same meaning as in sections 28 to 32 of the Small Business, Enterprise and Employment Act 2015 (see section 32 of that Act).

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<sup>(a)</sup> 2015 c. 26.

## SCHEDULES

### SCHEDULE 1

Regulation 15

Consequential, incidental and supplementary amendments coming into force on the day after the day on which these Regulations are made

#### **Amendments of the Utilities Act 2000**

1. In section 5A(2) (duty of Authority to carry out impact assessment) of the Utilities Act 2000(a)—

- (a) in paragraph (b), after “interconnector” insert “or in the carrying on of a load control activity”;
- (b) in paragraph (c), after “interconnector” insert “or with the carrying on of a load control activity”.

#### **Amendments of Electricity (Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences) Regulations 2019**

2.—(1) The Electricity (Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences) Regulations 2019(b) are amended as follows.

(2) In regulation 3(1) (interpretation), at the appropriate place insert—

““load control licence” means a licence granted or to be granted under section 6(1)(h) of the Act;”.

(3) In regulation 6(1) (additional information and documents to accompany application)—

- (a) omit “and” at the end of sub-paragraph (c);
- (b) at the end of sub-paragraph (d) insert “;
- (e) an application in respect of a load control licence shall be accompanied by the information and documents specified for that licence in the form in the Schedule”.

### SCHEDULE 2

Regulation 16

Consequential, incidental and supplementary amendments coming into force 12 months after the making of these Regulations

#### **Amendments of the Consumers, Estate Agents and Redress Act 2007**

1. In section 42 (interpretation of Part 2) of the Consumers, Estate Agents and Redress Act 2007(c)—

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(a) 2000 c. 27. Section 5A(2)(b) and (c) was amended by section 210 and paragraph 13 of Schedule 17 to the Energy Act 2023 (c. 52).  
(b) S.I. 2019/1023.  
(c) 2007 c. 17.

- (a) in the table in subsection (1), after the entry “A person holding a licence under section 6(1)(c) of the Electricity Act 1989 (distribution licences)”, insert—

“A person holding a licence under section 6(1)(h) of the Electricity Act 1989 (load control licences) who has entered into a contract with a consumer to provide for the sending of a load control signal to an energy smart appliance at that consumer’s premises.	A person who is a consumer in relation to the provision of load control to an energy smart appliance (within the meaning of Part 1 of that Act).	The Gas and Electricity Markets Authority.”;
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- (b) in subsection (4), at the appropriate places insert—

““consumer” has the meaning given by section 4(7) of the Electricity Act 1989;  
“energy smart appliance” has the meaning given by section 238(2) of the Energy Act 2023;  
“load control signal” has the meaning given by section 238(4) of the Energy Act 2023.”.

#### **Amendments of the Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008**

**2.—**(1) The Gas and Electricity (Consumer Complaints Handling Standards) Regulations 2008<sup>(a)</sup> are amended as follows.

- (2) In regulation 2(1) (interpretation)—

- (a) at the appropriate places insert—

““energy smart appliance” has the meaning given by section 238(2) of the Energy Act 2023;  
“load control signal” has the meaning given by section 238(4) of the Energy Act 2023.”;

- (b) in the definition of “regulated provider”, at the end of sub-paragraph (d) insert “;

“(e) a person holding a licence under section 6(1)(h) of the Electricity Act 1989 who has entered into a contract with a relevant consumer to provide for the sending of a load control signal to an energy smart appliance at that consumer’s premises”.

- (3) After regulation 9(2) (referral of consumers from the consumer advice scheme) insert—

“(3) The arrangements required by paragraph (1) do not apply to a person holding a licence under section 6(1)(h) of the Electricity Act 1989 who has entered into a contract with a relevant consumer or a small business consumer to provide for the sending of a load control signal to an energy smart appliance at that consumer’s premises.”.

- (4) In regulation 11 (publication of information on complaints)—

- (a) in paragraph (1), for “Regulated providers who hold a licence under section 7A(1) of the Gas Act 1986 or a licence under section 6(1)(d) of the Electricity Act 1989 or both,” substitute “Relevant regulated providers”;

- (b) after paragraph (2), insert—

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<sup>(a)</sup> S.I. 2008/1898.

- “(3) In this regulation, “relevant regulated provider” means regulated providers who —
- (a) hold a licence under section 7A(1) of the Gas Act 1986,
  - (b) hold a licence under section 6(1)(d) of the Electricity Act 1989, or
  - (c) hold a licence under section 6(1)(h) of the Electricity Act 1989 who has entered into a contract with a relevant consumer or a small business consumer to provide for the sending of a load control signal to an energy smart appliance at that consumer’s premises.”.

### **Amendments of the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008**

**3.**—(1) Article 2 (interpretation) of the Gas and Electricity Regulated Providers (Redress Scheme) Order 2008(a) is amended as follows.

(2) In paragraph (1), in the definition of “regulated provider”—

- (a) at the end of sub-paragraph (a) insert “who supplies gas to a relevant consumer or a small business consumer”;
- (b) at the end of sub-paragraph (b) insert “who provides gas transmission services to a relevant consumer or a small business consumer”;
- (c) at the end of sub-paragraph (c)—
  - (i) insert “who supplies electricity to a relevant consumer or a small business consumer”;
  - (ii) omit “and”;
- (d) at the end of sub-paragraph (d), for “,” substitute “who provides electricity distribution services to a relevant consumer or a small business consumer”;
- (e) after sub-paragraph (d) insert—

“(e) a person holding a licence under section 6(1)(h) of the Electricity Act 1989 who has entered into a contract with a consumer or a small business consumer to provide for the sending of a load control signal to an energy smart appliance at that consumer’s premises;”;
- (f) omit from “who supplies gas or” to the end.

(3) After paragraph (2) insert—

“(3) In this article—

“consumer” has the meaning given by section 4(7) of the Electricity Act 1989;

“energy smart appliance” has the meaning given by section 238(2) of the Energy Act 2023;

“load control signal” has the meaning given by section 238(4) of the Energy Act 2023.”.

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(a) S.I. 2008/2268.



## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Electricity Act 1989 (c. 29) (“the Act”) to provide for new licensable activities relating to the carrying on of load control activities with respect to certain energy smart appliances (as defined in the Energy Act 2023 (c. 52)). These Regulations also make consequential, incidental and supplementary amendments to the Act and other enactments.

Regulation 4 amends section 4 to make it a criminal offence to, without a licence, carrying on of a load control activity. This amendment will only come into force 12 months after these Regulations are made.

Regulation 6 amends section 6 to enable the Authority to issue licences authorising persons to carrying on of the new licensable activity inserted into the Act by regulation 3.

Regulation 7 determines the conditions set out in the document [Load Control Licence Conditions] published by the Secretary of State on [date] to be the standard conditions for the purposes of load control licences. The [Load Control Licence Conditions] is available free of charge at [<https://www.ofgem.gov.uk/publications/licence-conditions/>]. A copy can also be obtained free of charge by appointment by contacting the Gas and Electricity Markets Authority at [address] or by email at [email].

Regulations 15 and 16 and Schedules 1 and 2 make consequential, incidental and supplementary amendments to other Acts of Parliament and statutory instruments.

A full Impact Assessment has not been produced for this instrument as it is not expected to have significant impact on the private, public or voluntary sectors. Instead a de minimis assessment has been prepared as this instrument is likely to entail some costs for businesses, but the net impact is estimated to be below £10 million per year.