Energy Independence Bill

Lead department	Department for Energy Security and Net Zero
Summary of proposal	The Energy Independence Bill contains a range of proposals set out in a summary impact assessment (IA), and 26 further IAs on specific proposals, of which 19 are within the RPC's scope.
Submission type	Impact assessment. Originally submitted 24 October 2025. Resubmitted 3 November 2026
Legislation type	Primary legislation
Implementation date	Varies for each measure
RPC reference	RPC-DESNZ-25060-IA(1)
Date of issue	23 November 2026

RPC opinion

Rating	RPC opinion
Not fit for purpose	As originally submitted, the Bill IA was not fit for purpose, as it provided insufficient evidence for several measures. Since the Initial Review Notice (IRN), several measures now include more evidence. However, the RPC has assessed 2 individual IAs as not fit for purpose, out of the 17 individual IAs whose ratings are reported in this version. The issues are summarised in the main body and detailed in the Annex. After issuing an opinion to the Department, the RPC was informed that it had been sent incorrect versions of two of the individual IAs (16 and 25) in error. Their ratings and detailed assessments are not included in this published version. The Department may resubmit the Bill IA for scrutiny.

Urgent measure statement

The Department has used the Better Regulation Framework's urgent measures process for this provision. Where the Government decide that legislation is required urgently and there is insufficient time ahead of seeking collective agreement for a preferred regulatory option, and the necessary options assessment (OA) to be submitted to the RPC for independent scrutiny in accordance with the framework, departments are, instead, required to submit an impact assessment (IA) for scrutiny as early as possible after obtaining collective agreement. The IA should contain evidence, which should have been set out in the OA, on the rationale, identification of options and the justification for preferred way forward. The RPC then offers an opinion that includes an overall fitness-for-purpose (red/green) rating, informed by the individual red/green ratings for those three categories.

RPC summary

The overall quality ratings for the Bill IA, consisting of a summary IA and 17 individual IAs within the RPC's scope, across the scrutiny categories, are described below.

Category	Quality[1]	RPC comments
Rationale for intervention	Green	The Department explains the problem under consideration, and case for intervention, across the Bill. Since the Initial Review Notice (IRN), several measures now have stronger problem definition, and more developed evidence of market failures. Several IAs do not specify sufficiently measurable outcomes or timescales, limiting the ability to judge expected progress. The Department should address this.
Identification of options, including Small and Micro Business Assessment (SaMBA)	Red *relating to 2 individual IAs*	The Department has improved options appraisal for several measures since the IRN, including clearer critical success factors (CSFs), more transparent longlist-to-shortlist processes and more developed SaMBAs. One IA still does not demonstrate consistent application of critical success factors, so does not have a justified shortlist. Elsewhere where small-business exemptions are rejected, the assessment of disproportionate burdens and mitigations is uneven. The Department must address this.
Justification for preferred way forward	Red *relating to 2 individual IAs*	Most measures provide a clear explanation of why the preferred route is chosen. However, some individual IAs do not justify the preferred way forward through a proportionate appraisal.
Regulatory Scorecard	Weak	Some measures now provide fuller scorecards and better explanation of uncertainty. However, some scorecards rely heavily on future detailed design and indicative analysis.
Monitoring and evaluation	Satisfactory	Measures usually set out data sources, review points and evaluation questions, including use of existing reporting arrangements where appropriate. For some measures, aspects remain dependent on later policy design. Monitoring arrangements are generally more developed than evaluation plans. Several IAs do not explain how delivery, attributable outcomes and value for money will be assessed, with methods, timing and responsibilities insufficiently specified. The Department should improve these.

[1] The RPC quality ratings are used to indicate the quality and robustness of the evidence used to support different analytical areas. Please find the definitions of the RPC quality ratings here.

RPC ratings for each individual IA

This table provides the RPC ratings for 17 individual IAs within its scope. Some IAs are not listed as they are outside its scope, which is why there are *gaps in the numerical order*.

IA	Measure	Rationale for intervention	Identification of options inc. SaMBA	Justification for preferred way forward	Regulatory Scorecard	Monitoring and evaluation
1	Asset Visibility Installer Obligation	Green	**Red**	**Red**	Weak	Weak
2	Battery Energy Storage Systems	Green	Green	Green	Satisfactory	Weak
3	Changes to the North Sea Transition Authority mandate	Green	Green	Green	Weak	Good
4	Domestic Private Rental Sector (PRS) Minimum Energy Efficiency Schemes (MEES) Enforcement	Green	Green	Green	N/A*	N/A*
5	Community Energy – Shared Ownership	Green	Green	Green	Satisfactory	Weak
6	Electricity network infrastructure: consents, land access and rights	Green	Green	Green	Weak	Good
7	Employment rights for Offshore Renewable Workers	Green	Green	Green	Satisfactory	Satisfactory
8	Ending new coal licences	Green	Green	Green	Satisfactory	Satisfactory
9	Ending new oil and gas licences	Green	Green	Green	Weak	Satisfactory
11	Extending the core fuels regulatory regime to the gas sector	Green	Green	Green	Satisfactory	Weak
16	Measures to strengthen Ofgem	Incorrect version submitted				
18	Non-Domestic Private Rental Sector Minimum Energy Efficiency Schemes Enforcement	Green	Green	Green	N/A*	N/A*
19	Reformed National Pricing	Green	**Red**	**Red**	Very weak	Satisfactory
20	Regulation of Third-Party Intermediaries	Green	Green	Green	Satisfactory	Satisfactory
21	Schemes for Providing Support for Energy Costs	Green	Green	Green	Satisfactory	Satisfactory
22	Smart meters (extension of rollout)	Green	Green	Green	Satisfactory	Satisfactory
23	Transmission Licence Exemption Reform	Green	Green	Green	Satisfactory	Satisfactory
24	Updating regulation of radioactive waste and spent fuel	Green	Green	Green	Satisfactory	Weak
25	Warm Homes Agency	Incorrect version submitted				

*The RPC previously issued green-rated opinions for the final stage IAs supporting secondary legislation for these measures. The primary and secondary legislation IAs are closely linked, and the RPC is content that the supporting analysis for the proposals is fit-for-purpose.

Introduction

This opinion provides an assessment of 17 individual IAs, detailed in the Annex. The RPC was additionally sent incorrect versions of two other individual IAs (16 and 25) in error, their ratings and detailed assessments are not included in this opinion.

The Better Regulation Framework provides for green/red-rating on three criteria: rationale for intervention, identification of options and justification for the preferred way forward. The Annex provides comments across 17 IAs. This includes ratings (good/satisfactory/weak/very weak) across the other two criteria: scorecard and monitoring & evaluation.

Summary of proposal

The proposed Energy Independence Bill ('the Bill') contains proposals to strengthen the UK's energy security, accelerate the transition to net zero, and improve affordability and resilience for consumers and businesses. The Bill intends to provide new powers, regulatory reforms, and interventions across the energy system—including electricity, gas, renewables, and consumer protection—to enable infrastructure upgrades, market innovation, and fairer outcomes for households and businesses. The Department has produced a summary IA for the Bill, supported by individual IAs on specific proposals.

Response to initial review

As originally submitted, the IA was not fit for purpose, as it provided insufficient evidence for several measures. The Department has improved several IAs after an initial review notice (IRN). The revised submission now provides a more robust rationale and argument for intervention. The identification of options has been expanded for some IAs, with fuller options discussion and better assessment of impacts on small businesses, but substantive gaps are present for some IAs. The justification for the preferred way forward has been improved, underpinned by more quantified analysis, improving transparency and proportionality, but substantive gaps are present for some IAs.

Impacts

The summary IA presents a net present social value (NPSV) of £3.2 billion from the primary legislation, rising to £22.6 billion including potential secondary legislation. This is driven mainly by the Renewables Obligation measure (£2.7 billion), outside the RPC's remit, and non-domestic Private Rental Sector Minimum Energy Efficiency Schemes (PRS MEES) enforcement (£1.7 billion). The £1.7 billion is the remaining value of the existing EPC E regulations, assuming full compliance. The summary IA therefore attributes to the Bill benefits that derive from existing regulations. The secondary legislation figure reflects the whole of the PRS MEES policies, and an assumed £10 billion for the wider Reformed National Pricing programme. The IA

notes that benefits such as improved energy security and resilience are largely unquantified.

The equivalent annual net direct cost to business (EANDCB) is –£150 million for the primary legislation, a net benefit, driven by third-party intermediaries and non-domestic PRS MEES. Including secondary legislation, the summary IA presents a net cost of £220 million a year, driven mainly by the wider domestic PRS MEES policy.

Additional notes on the Scorecard

The scorecard considers welfare and distributional impacts. It also provides an assessment against government priority areas: business environment; international trade and investment; and natural capital and decarbonisation. The RPC's comments for individual IAs are presented in the Annex.

The estimated carbon abatement of 40 MtCO2e from 2026 to 2060 represents a modest share of Net Zero and Carbon Budget requirements. The IA should strengthen the analysis by showing contributions to each Carbon Budget period, and clarifying whether the Bill materially improves assurance against Climate Change Committee risk ratings. More transparency on carbon valuation assumptions would be helpful.

Given the scale and complexity of quantified impacts, the Summary IA could confirm shared modelling assumptions and quality assurance (QA) processes. For example, whether consistent discounting and price bases have been applied, which carbon values and uncertainty ranges were used, and whether energy cost assumptions and wage/oncost assumptions are aligned across measures. A short statement on QA—covering Aqua Book compliance and oversight—would provide reassurance that the analysis meets published standards. These points do not affect individual IA ratings but relate to transparency and assurance at the Bill level.

The summary IA should present the NPSV for ending new oil and gas licences on the same total basis as other measures, rather than as an annual average.

Regulatory Policy Committee
For further information, please contact regulatoryenquiries@rpc.gov.uk. Follow us on Twitter @RPC_Gov_UK, LinkedIn or consult our website www.gov.uk/rpc. To keep informed and hear our views on live regulatory issues, subscribe to our blog.

Two committee members did not participate in the scrutiny of this case, to avoid a potential conflict of interest.

Annex: Comments on individual IAs

Measure and impacts	**Comments on quality of assessment**
IA1 Asset Visibility Installer Obligation Enabling powers for secondary legislation to clarify registration obligations for distributed energy assets, such as EV chargers, solar PV, batteries and heat pumps. The aim is to improve network operators' visibility of assets connected to their systems, supporting better planning and management of network demand. Primary powers do not impose immediate obligations on businesses; rather they provide a framework for future regulations and enforcement to be set in secondary legislation. This staged approach intends to ensure proportionality and flexibility, as the energy system becomes more decentralised. NPSV and EANDCB estimates: Unquantified.	Rationale. The IA states that less than half of assets, e.g. heat pumps, are registered with Distribution Network Operators (DNOs), impairing their ability to plan new infrastructure and manage operations. The IA frames this as an imperfect information problem, expected to worsen with growth in assets. The IA sets out the complexities of the registration landscape and projects hours spent meeting notification requirements, mainly borne by installers. The Department should specify measurable outcomes and timescales in the objectives, for assessing progress and success. Identification of options. There is a longlist of 10 regulatory and non-regulatory options. No single option meets the CSFs, and the IA describes a process for constructing 3 shortlisted packages based on combinations of the 10 measures, an approach supported by consultation. The SaMBA shows most installers are small/micro businesses and may face higher administrative costs. It does not adequately cover exemption and must broadly describe mitigations, whilst the detail is for secondary legislation. Justification of preferred way forward. The IA provides a qualitative assessment of the shortlisted packages to reach a preferred option: a clarified registration obligation with a single notification mechanism. The IA states that the preferred option performs most strongly against the CSFs, but its own assessment rates the DNO process change-led package higher on efficiency, equity and deliverability. The IA argues that, without an enforceable obligation, registration gaps may persist. However, as the impacts of the 3 shortlisted packages fall on different groups, the IA must explain why imposing costs on installers, most of whom are small or micro businesses, is justified relative to the DNO package. Scorecard. Weak. The IA records monetised impacts as 'no impact' rather than neutral or uncertain, although the IA estimates current notification costs of £49m in 2025. The IA states that detailed analysis is misleading until requirements are set in secondary legislation. The scorecard should include impact analysis contained elsewhere in the IA, to assess impacts of the whole policy. Monitoring and evaluation. Weak. An M&E plan will be developed for secondary legislation. The IA identifies installer administrative burden as a monitoring objective, potentially assessed through installer surveys or process evaluations. The IA needs more detail on the broad questions that will be addressed, and data sources, to assess if the policy will deliver against its objectives.

IA2 Battery Energy Storage Systems (BESS)

Taking powers to extend the smart mandate to battery energy storage systems (BESS), to be used if the market does not move to smart functionality on its own. Smart functionality (signal exchange and charge/discharge control) enables consumer-led flexibility and system balancing.

Quantified estimates are indicative as secondary legislation will be required to implement the mandate. Costs are expected to fall mainly on manufacturers for compliance, certification, and software updates, with wider benefits largely qualitative at this stage.

NPSV estimate: £0 (-£7m to -£12m for the secondary legislation). EANDCB estimate: £0, as secondary legislation is required to trigger mandate.

Rationale. The IA sets a clear strategic context for consumer-led flexibility and defines smart functionality in operational terms. The IA describes the market failures well, explaining intervention will capture the benefits of avoided infrastructure costs of using smart technology, and improved security of supply. For the objectives, the Department should specify measurable outcomes and timescales against which the policy's success can be assessed.

Identification of options. The IA sets out a longlist of do nothing, non-regulatory voluntary standards only, phased approach starting in the late 2020s or mandate all appliances to be smart. It shows filtering to a short-list of do nothing, a power to mandate and an immediate mandate from the end of 2027. The SaMBA expects limited cost increases and sets out mitigations, including awareness campaigns and warnings rather than sanctions for smaller firms.

Justification of preferred way forward. The IA compares a power to mandate with an immediate mandate, preferring the former because it avoids unnecessary costs if the market moves to smart BESS unaided. The IA could consider how expanding smart BESS, supported by widespread smart meter use and well-embedded Time of Use tariffs, might enhance system flexibility and consumer response. The IA should clarify transitional arrangements (grace periods, grandfathering, stock run-down) and set out the level of uptake that would trigger use of the power.

Scorecard. Satisfactory. The IA identifies relevant costs (smart development, cyber security, assurance and familiarisation) and system benefits. As secondary legislation is needed to trigger the mandate the scorecard is highly indicative, with relatively minimal impacts from this primary legislation. There will need to be full quantification at secondary legislation stage.

Monitoring and evaluation. Weak. The plan is deferred to secondary legislation stage, but the Department could provide more information now, such as data sources for monitoring and evaluation design. The plan could use SMART KPIs tied to the causal chain such as share of BESS sales with certified smart capability; in-field interoperability success; measured peak-shifting (kWh), consumer bill impacts.

IA3 Changes to the North Sea Transition Authority (NSTA) mandate

Replacing the NSTA's principal objective of maximising economic recovery with three principal objectives (economic, net zero and transition), and reforming its powers: raising the maximum financial penalty from £1m to £5m, with a power to increase it to £10m, clarifying powers to withhold consents and apply the fit and proper test, making dispute resolution binding, introducing enforceable well decommissioning milestones backed by an extended financial security power, and removing the statutory requirement for the NSTA to produce a formal Strategy.

NPSV estimate: -£1.34m with unquantified benefits.
EANDCB estimate: Not quantified, expected to be neutral overall.

Rationale. The IA states that reforming NSTA's objectives will support the government's long-term objectives for the North Sea and the UK's energy transition. The rationale is linked to negative externalities from carbon emissions, information asymmetry, moral hazard, and the UK's legal obligations to meet net zero by 2050. The IA cites a backlog of over 500 wells past their decommissioning deadline, only 122 of a forecast 210 wells decommissioned in 2024, and fines constrained by the £1m cap. The objectives should be made SMART.

Identification of options. For revising NSTA's objectives, the IA identifies four longlist options including a do-nothing and additional options, adding in objectives for net zero, offshore sectors and wider facets of transitions including workers, communities and supply chains. Non-regulatory options were considered less effective. The options are assessed against a set of critical success factors with Option 4, covering the widest set of objectives, selected as the preferred way forward. The SaMBA justifies not exempting small businesses and breaks down familiarisation costs by business size.

Justification of preferred way forward. The IA quantifies the familiarisation costs to businesses in scope, and legal professions, for the preferred option and discusses non-quantified costs and benefits. The IA provides a mainly qualitative assessment, based on non-quantified impacts and performance against the CSFs, for why the preferred option is taken forward. The shortlist compares the preferred package against do nothing and a 'do maximum' package without legislative safeguards, with selection logic for each power set out in the CSF tables.

Scorecard. Weak. The IA provides a partial NPSV based on familiarisation and identifies a range of impacts to NSTA, business and households, including distributional impacts by protected characteristics and location. The new powers could impose material costs on operators through financial security and accelerated decommissioning, while benefits such as avoided deferral costs, estimated externally at around £4bn, are not quantified by the Department. The Department should illustrate the scale of these impacts.

Monitoring and evaluation. Good. The IA contains a relatively detailed M&E plan for primary legislation describing metrics that will be monitored, including operator performance against enforceable milestones and sanctions recorded in the NSTA case register, and the key questions and methods that can be used to inform process and impact evaluations.

IA4 Domestic Private Rental Sector Minimum Energy Efficiency Schemes Enforcement

Strengthening enforcement of energy efficiency standards for private rental properties, ensuring compliance with EPC Band C by 2030. Local authorities will also be given stronger powers to tackle non-compliance.

NPSV and EANDCB estimates: no direct impacts from the primary powers. The summary IA presents the wider policy (EPC C by 2030) as NPSV £1.5bn and EANDCB £604m.

The RPC previously issued a green-rated opinion for the final stage IA supporting secondary legislation to raise minimum energy efficiency standards in the private rented sector. As part of the Bill, the Department has prepared an IA for the additional powers required for the policy, including requiring landlords to obtain EPCs before installing measures, increasing the maximum fine for non-compliance, changing enforcement, and bringing short-term lets, and letting agents and online platforms, into scope of the regulations in future if needed. The primary and secondary legislation IAs are closely linked and the RPC is content that the supporting analysis for the proposal is fit-for-purpose. The Department should provide a full IA, including a SaMBA, if it uses the power to bring short-term lets into scope.

IA5 Community Energy – Shared Ownership

Taking powers to require licensed energy suppliers to offer service agreements to Community Energy Groups (CEGs), providing them with viable routes to market, enabling the sector to become financially viable and grow. Key aspects will be designed through consultation and statutory instruments. The Bill also amends the Infrastructure Act 2015 shared ownership powers, raising the maximum community offer from 5% to 20% and lowering the project threshold from 5MW to 1MW.

The IA discusses a range of costs and benefits to CEGs, energy suppliers, the public sector, emissions, job creation and distributional impacts.

NPSV and EANDCB estimates: Unquantified, except shared ownership administrative costs (£76,000 one-off; £14,000 a year).

Rationale. The IA identifies CEGs as a source for investment in renewable energy, helping meet climate change goals. The IA draws on findings from the Call for Evidence setting out market access barriers preventing scaling of CEGs, and identifies externalities leading to underinvestment in clean energy. It cites a coordination failure where communities bear local impacts without sharing benefits, limited uptake under the voluntary approach, and a parliamentary committee recommendation of a 20% offer. For objectives, the Department should indicate the expected scale of improvement.

Identification of options. The longlist has 7 options and the IA explains filtering to a shortlist. Small businesses in local supply chains are acknowledged to benefit indirectly from the expansion of CEGs, through local investment multiplier and supply chain effects. An exemption to the requirement for small and micro suppliers to offer service agreements to CEGs will be applied. Lowering the threshold to 1MW brings about 600 projects into scope, potentially including smaller developers. The Department should assess impacts on small developers and set out mitigations.

Justification of preferred way forward. For the 5 shortlisted options, the IA provides a qualitative assessment of the impacts on energy suppliers, CEGs and the public sector. The preferred option is justified by deepening community ownership, lowering costs and reducing market entry barriers to CEGs, though energy suppliers may face additional administrative costs. Further efforts will be made to estimate the costs and benefits as part of future statutory instruments.

Scorecard. Satisfactory. The IA notes potential for distributional impacts for low-income groups based on the location of CEGs, and that participation may concentrate in more affluent communities. Administrative costs are measured against a counterfactual in which the Infrastructure Act 2015 shared ownership powers are used, though the necessary secondary legislation was never made. The Department should justify the counterfactual. Future IAs should examine: risks of entrenching dominant suppliers in agreements with CEGs; potential for suppliers to cross-subsidise CEGs; and how improved market access for CEGs may drive innovation in the energy system.

Monitoring and evaluation. Weak. The IA identifies monitoring metrics but does not set out a sufficiently developed evaluation approach. The Department should specify proportionate process, impact and value-for-money evaluation questions, indicative methods, timing and responsibilities, including how qualitative evidence will inform assessment where attribution is difficult.

IA6 Electricity network infrastructure: consents, land access and rights

Removing barriers in the land access and consenting process for electricity network infrastructure to accelerate infrastructure delivery, and increase grid capacity. The measures include exempting small upgrades from Section 37 consent, removing the automatic public inquiry trigger, aligning private street consenting with the Gas Act 1986, reforming necessary wayleave procedures, extending network operators' access rights (including to transmission owners and third-party land), and transferring vegetation management responsibility to licence holders.

NPSV estimate: £2.5m
EANDCB estimate: costs for individual measures but no total.

Rationale. The IA states that to meet net zero and increases in peak electricity demand, significant pressures will be placed on the network, requiring large scale upgrades and expansions. A Call for Evidence, and evidence from the Energy Networks Association, indicated issues with consenting and land rights, hindering network upgrades. The proposed reforms were supported by consultation responses. The IA sets out three objectives, but these should be made measurable e.g. reduce Section 37 applications by X% within X years.

Identification of options. The IA identifies four longlist options – wholesale changes and new processes for land rights and consents procedures; a set of targeted changes for both transmission and distribution (preferred), non-regulatory changes; and do-nothing. An assessment was made against CSFs and objectives, with wholesale changes discarded. The IA has a clear description of how the suite of targeted changes was identified and prioritised, but should clearly set out rejected interventions. The SaMBA explains that most landowners are small businesses, mainly farms, which cannot be exempted without undermining the policy, and sets out mitigations including guidance, transferring vegetation management to network operators, and compensation.

Justification of preferred way forward. The IA provides a limited cost-benefit analysis of the preferred option, estimating an NPSV of £2.5 million, while identifying impacts to government, consumers, businesses and landowners. The appraisal of the non-regulatory shortlist option is qualitative, though would benefit from some quantification, e.g. for the cost of familiarising with guidance. The non-regulatory option is assessed as not delivering the scale of change compared to the preferred option.

Scorecard. Weak. The IA acknowledges limitations in analysis of the preferred option, with only some business impacts quantified, including time savings and costs of negotiating compensation. The IA should include an EANDCB estimate. It is argued that accounting for unquantified impacts, the NPSV will be positive. The IA usefully presents impacts for each measure, supporting transparency in how the package is constructed; however, it would benefit from more detailed analysis of impacts, particularly for landowners, where the IA acknowledges potentially significant costs from disruption and changes to rights, which are assumed to be offset by compensation.

Monitoring and evaluation. Good. The IA commits to a review within 5 years. A proportionate approach to M&E is proposed and the IA does well to present a detailed discussion of how each of the legislative changes will be monitored, with the inclusion of outcomes to be tracked and data sources, including surveys of electricity network operators, internal data, and landowner working groups.

IA7 Employment rights for Offshore Renewable Workers

Extending employment rights to offshore renewable and low carbon workers in the UK Exclusive Economic Zone, to reduce discrepancies with offshore oil and gas workers. Most rights will be extended through secondary legislation. The Bill also takes a power to modify the Working Time Regulations 1998 for offshore workers.

NPSV estimate: -£0.01m
EANDCB estimate: £2.9m

Rationale. The IA sets out that discrepancies in employment law, between offshore oil and gas workers and low carbon workers, have the potential to impede the transition away from oil and gas to renewables. The IA cites evidence that 90% of oil and gas workers have transferable skills for renewables, but disparities in employment rights reduce the attractiveness of renewable jobs. It is estimated 600 workers are affected, and this is expected to grow. The objective should be made SMART. The IA could be strengthened by clarifying in-scope worker groups, including agency-supplied workers.

Identification of options. The IA explains that non-regulatory options, such as information campaigns, self-regulation or codes of practice, cannot extend statutory employment rights, and shortlists do nothing, extending only the National Minimum Wage (NMW), and the preferred option of extending wider employment rights. Sufficient justification is provided for discarding options, but would be improved with a systematic process. Options should cover enforcement mechanisms. A sufficient SaMBA explains why exemption would undermine the policy, and defers mitigations to secondary legislation.

Justification of preferred way forward. Two shortlist options are appraised beyond the do-nothing, relating to extending the NMW only, and going further to cover other employment rights. The IA explains that NMW alone only partly meets the objectives, while the preferred option addresses pay and wider working conditions. The IA provides an illustrative quantitative assessment of the impacts of the NMW requirements, which are common to both options, but the inclusion of additional employment rights is expected to generate additional costs and benefits which are not quantified.

Scorecard. Satisfactory. The scorecard sets out how the NMW costs to employers represent a transfer to workers, leaving the impacts to net out in NPV terms, except for familiarisation costs to employers. The IA expects extending wider employment rights to improve job quality and satisfaction, giving an overall net positive impact. The IA tests sensitivity to the population and wage gap assumptions, but the costs and benefits of the wider rights are not quantified. The Department should estimate these at secondary legislation stage.

Monitoring and evaluation. Satisfactory. The IA outlines an M&E plan for primary legislation, identifying questions relating to the implementation and impact of the proposals, and possible data sources including surveys, administrative data and engagement with stakeholders. The Department should confirm data sources, baseline and KPIs when developing secondary legislation.

IA8 Ending new coal licences

Amending the Coal Industry Act 1994 to prevent new coal mining licences, allowing existing licences to continue. Limited exceptions remain for public safety or environmental reasons, Forest of Dean freeminers and incidental coal.

Wider benefits (climate leadership, signalling effects, transition certainty) are qualitative.

NPSV estimate: -£0.2m
EANDCB estimate: £0

Rationale. The IA reasonably justifies the measure within the UK's net zero strategy and international climate commitments and leadership role, noting coal's structural decline, and the pollution associated with it. There are reasonable objectives and a clear logic model.

Identification of options. The IA describes a longlist (Written Ministerial Statement, guidance changes, case-by-case decisions, partial licensing) and a shortlist (do-nothing, preferred amendment, revoke). The IA is clear on why only a regulatory option can remove the duty to develop the coal industry. The SaMBA is clear, explaining why an exemption would undermine the policy, and how small businesses will not be disproportionately burdened.

Justification of preferred way forward. The IA explains that amending the Coal Industry Act 1994 is the only option that delivers the commitment not to grant new licences, as non-regulatory approaches would leave the Mining Remediation Authority's duty to promote the coal industry in place. It rejects revoking existing licences, which would risk unfunded safety and environmental liabilities, disrupt supply chains, and could require significant compensation. The preferred option targets future activity only, allowing a managed transition.

Scorecard. Satisfactory. The IA reports an NPSV of -£0.2m, and explains why benefits are not quantified. Business impacts are unquantified, though they are likely to be small given the sector's decline. The scorecard comprehensively details many potential impacts, mostly qualitatively, with detailed workings for lost labour productivity costings.

Monitoring and evaluation. Satisfactory. The IA briefly describes an approach to monitoring and evaluation with research questions. The IA identifies how the Mining Remediation Authority applies the legislation and exemptions as the key indicator of success. The Department could set KPIs, such as number of licence applications/decisions post-commencement, UK coal output vs counterfactual, and transition indicators in affected localities.

IA9 Ending new oil and gas licences

Ending new oil and gas licensing and introducing Transitional Energy Certificates (TECs) to manage existing fields. Onshore licensing is also ended for England.

NPSV estimate: presented as -£73m annual average over 31 years (which appears to be equivalent to around -£2.3bn in total)
EANDCB estimate: not presented (annual-average discounted foregone business net revenue of around £69m a year).

Rationale. The IA describes a clear rationale: licensing decisions based on commercial viability do not reflect climate costs. It places the measure within net zero and international climate commitments. The objectives cover no new licensing, TEC applications and success rates, and continued investment, supported by a theory of change. The Department should specify how continued investment and an orderly transition will be judged.

Identification of options. The longlist covers do nothing, a complete ban, a ban with TECs, using existing NSTA powers and voluntary guidance. Existing powers and guidance are discounted against critical success factors for legal risk and lack of compliance. The SaMBA finds 85% of the 200 in-scope businesses are small, micro or medium. It explains their exemption would undermine the policy, and therefore mitigations have not been explored. However, including them in scope means mitigations should be explored, or the Department should explain why it has not done so.

Justification of preferred way forward. The IA assesses a complete ban and now better compares it with a ban with TECs. Both end new exploration, but the preferred option has a smaller annual-average NPSV loss (–£73m against –£97m a year) and retains the NSTA's ability to support existing fields. The Department should strengthen the evidence for assumed TEC uptake.

Scorecard. Weak. The IA quantifies foregone net revenue (adjusted for 70% UK ownership), lost wage premium and familiarisation costs. However, unlike other measures in the Bill, the NPSV is presented only as an annual average (-£73m a year), which appears to be equivalent to around -£2.3bn over the appraisal period. The summary IA records the EANDCB as NA even though the individual IA estimates annual-average discounted foregone business net revenue of £69m a year. The appraisal period and employment multiplier assumptions appear to be stated inconsistently (31/28 years; 3.25/3.41 respectively). The Department should present total present values on the same basis as other measures, and resolve inconsistencies in assumptions. The IA should present an EANDCB, particularly as the IA already contains its main elements.

Monitoring and evaluation. Satisfactory. The IA commits to a proportionate review, using existing NSTA data and processes. Key metrics include licensing rounds held, TEC applications, investment intentions, and TEC success rates.

IA11 Extending the core fuels regulatory regime to the gas sector

Extending the core fuels resilience regime to the gas sector by giving the Secretary of State powers to seek information, require incident notification, issue directions, make regulations and provide financial assistance in relation to Gas Supply Facilities, Hydrocarbon Processing Facilities and the LPG supply chain, to improve resilience and continuity of supply. This measure reduces the risk of energy disruptions that impact consumers and the wider economy.

NPSV estimate: -£1.7m
EANDCB estimate: £0.2m

Rationale. The IA explains that with the transition to clean energy, reliable and resilient gas assets will remain critical over the medium and long term. The rationale for intervention is based on energy resilience having characteristics of a public good, being associated with externalities and issues with asymmetric information. The IA should use SMART objectives. The Department should define resilience, and characterise what resilience in gas supply looks like.

Identification of options. The IA identifies a range of regulatory and non-regulatory options, but could make more use of the Green Book's Strategic Options Framework-Filter to systematically build the options. A qualitative assessment of each option against CSFs is presented to describe the reasons for discarding options. The shortlist consists of business as usual, the preferred option and a less ambitious way forward based on introducing sector resilience standards in a future strategy. The SaMBA explains how scope thresholds limit burdens on smaller LPG businesses, with voluntary engagement, opportunities to make representations and exceptional financial assistance providing further safeguards.

Justification of preferred way forward. The Department provides an appraisal of the shortlisted options with some quantification of costs, and argues that targeted legislative powers across GSFs, HPFs and the LPG supply chain are the most proportionate way to improve visibility of resilience risks and enable action where voluntary engagement is insufficient. Although the introduction of standards option may have lower costs, it is argued that it is likely to lead to fewer benefits, which are not quantified.

Scorecard. Satisfactory. The IA transparently reports a partial NPSV of -£1.7m over a 10-year appraisal period, with costs stemming from reporting obligations, i.e. ongoing compliance costs. The IA has not quantified the benefits or the cost associated with the direction powers, as it is intended to be a backstop power with no immediate intention for use. The scorecard provides a breakdown of impacts across GSFs, HPFs and LPG market actors, and indicates that any illustrative household pass-through would be minimal.

Monitoring and evaluation. Weak. The IA provides a short justification for why a monitoring and evaluation plan has not been developed, stating the proposed measures will have a limited impact and minimal financial considerations. The Department proposes using existing reporting mechanisms, stakeholder engagement and representations to monitor burdens, but should specify the indicators and review arrangements.

IA16 Measures to strengthen Ofgem Modernising and strengthening Ofgem by streamlining statutory duties; expanding Ofgem's remit across the energy system value chain; introducing urgent licence-modification powers; and strengthening enforcement, including removing caps on financial penalties, quasi-automatic fines, direct consumer-law powers, enforcement against parent companies, a Secretary of State backstop power and general authorisation regimes. NPSV and EANDCB estimates: unquantified.	Incorrect version submitted

IA18 Non-Domestic Private Rental Sector Minimum Energy Efficiency Schemes Enforcement

Taking enforcement powers for the non-domestic private rented sector minimum energy efficiency standards: inspection notices, reporting of enforcement action and open compliance data, a property and compliance database, and broadening who can enforce, including third parties. The Bill also enables a future requirement on letting agents to advertise only compliant properties, though there is no immediate intention to use it.

NPSV and EANDCB estimates: no direct impacts from the primary powers. The IA presents figures for the existing EPC E regulations (NPSV £1.7bn; EANDCB –£52m), and the proposed EPC B regulations for buildings over 1,000m² (NPSV £7.8bn; EANDCB –£230m).

The RPC issued a green-rated opinion for the final-stage IA supporting the non-domestic PRS MEES secondary regulations. The Department subsequently submitted a new version of the IA due to adjustments in the policy, namely excluding buildings below 1,000m² from the proposed EPC B requirement. Given the nature of the change - exempting a certain section of the building stock - there is a reduction in the overall scale of impacts, but the methodology and structure remain the same. Therefore, the RPC has reaffirmed its previous green opinion on the secondary IA.

As part of the Bill, the Department has prepared an IA for additional enforcement powers to secure that regime's benefits e.g., inspection notices, reporting, a compliance database. The primary and secondary IAs are closely linked; the supporting analysis is fit-for-purpose at Bill stage.

IA19 Reformed National Pricing (RNP)

Reforming the GB electricity wholesale market, to improve efficiency. The Bill supports four areas of the wider Reformed National Pricing programme: 1) network charging; 2) balancing and settlement; 3) regulation of power exchanges if required for unit bidding; and 4) a bespoke licence for assets dedicated to network services. It also provides supporting powers to pause code modifications and amend legislation. Detailed charging and balancing designs remain subject to further development and consultation.

NPSV estimate: unquantified for the specific powers, indicative £10–20bn from the wider RNP programme.
EANDCB estimate: unquantified

Rationale. The IA sets out a clear problem, identifying market failures: lack of locational and temporal signals for investment and operation, and insufficient incentives for flexible assets. This results in higher balancing costs and inefficient network expansion. The rationale is well-evidenced, drawing on trends in balancing costs, increasing complexity of system operation, and emergence of asset types falling outside regulatory frameworks. The case for a new licence for network services assets is reasonable, as it addresses a gap. The IA now sets out better objectives, but the Department should specify measurable outcomes and timescales so that progress and success can be assessed.

Identification of options. The IA now provides a better longlist of electricity market reform options and uses CSFs. It identifies alternatives for the network services licence and power exchange regulation. The IA now includes a SaMBA and explains that impacts on small businesses are expected to be proportionate. However, it does not demonstrate how the retained network charging, balancing and settlement, and power exchange preferred ways forward meet the CSFs applied to discarded options. The Department must apply the CSFs consistently.

Justification of preferred way forward. The preferred options are selected for their ability to deliver investor certainty and system flexibility, while avoiding uncertainties associated with options like zonal pricing. The network-services licence is supported by a clearer comparative assessment. For network charging and balancing and settlement, the IA largely defers decisions to Ofgem and NESO. Although the IA refers to indicative analysis, the estimated impacts are very significant, so the Department must provide more detail even at this primary stage, including on the potential impacts of each part of the proposed package.

Scorecard. Very weak. The IA anticipates reductions in system costs and improved investment conditions. The IA does not explain the assumptions underlying the indicative £10–20bn benefit from the wider programme, or establish how it relates to the specific powers. The IA refers to indicative analysis, which the Department should include.

Monitoring and evaluation. Satisfactory. The Department will collect data on market participant behaviour, system costs, and stakeholder feedback. A post-implementation evaluation is planned, with ongoing engagement and data collection to track impacts and identify any unintended consequences. The Department should specify proportionate evaluation methods, baselines, timing and responsibilities, including how the reforms' value for money will be assessed.

IA20 Regulation of Third-Party Intermediaries (TPIs)

Bringing TPIs—such as price comparison websites, auto-switchers and non-domestic energy brokers—within a regulatory regime overseen by Ofgem. This is to improve consumer protection and transparency while preserving the role TPIs play in facilitating engagement and switching for households and businesses.

NPSV estimate: £888m
EANDCB estimate: -£104m

Rationale. The IA usefully frames TPIs as important enablers of engagement but identifies misaligned incentives from supplier-funded commissions, a lack of transparency on commissions and market coverage, limited access to redress, and weak support for vulnerable consumers. Voluntary arrangements have not consistently prevented poor practices, motivating proportionate statutory oversight. In scope are domestic-facing TPIs and non-domestic brokers assisting procurement and contract negotiation.

Identification of options. The IA describes a structured options process, clearly using CSFs to narrow down the options to a shortlist of general authorisation, specific authorisation and hybrid regimes. The options assessment and consultation history provide a reasonable basis for options choice. The SaMBA is sufficient, describing how many TPIs are small or micro, and exemption is not justified as that would undermine the measure. Registration fees will be scaled by firm size.

Justification of preferred way forward. The IA makes a reasonable case for statutory powers to set enforceable standards for TPIs, while retaining benefits. The direction of travel appears proportionate: establish powers, tailor requirements through secondary legislation to risk and firm size. The options are compared transparently; the preferred hybrid regime costs less than specific authorisation (£77m vs £114m) and is less restrictive, but has a lower NPSV (£888m vs £971m). The IA reasonably justifies this on deliverability and lower barriers to entry for small TPIs. The Department has provided an estimate of the baseline value of misselling in the energy TPI sector (£237m annually) and uses this to estimate benefits of the shortlisted options, based on the extent to which each is expected to reduce misselling over time. The Department provides ranges and a sense-check on misselling as a proportion of market value.

Scorecard. Satisfactory. The IA provides a coherent, detailed account of the estimated impacts. The IA provides a time-profile of costs and benefits. The IA explains costs will fall mainly on TPIs through compliance, with potential indirect effects on suppliers and consumers. Excess commissions are treated as a benefit, reflecting reduced consumer detriment and improved transparency.

Monitoring and evaluation. Satisfactory. The IA commits to an interim review one year after familiarisation, using Energy Ombudsman and Citizens Advice complaints data, and sets out evaluation questions covering consumer protection, trust, competition, reach, attribution and unintended consequences. The Department should confirm metrics, owners and the timing of a full evaluation.

IA21 Schemes for Providing Support for Energy Costs

Enabling targeted bill-support schemes based on energy affordability, via secondary legislation, with energy suppliers obligated to participate in data-sharing and deliver support to eligible customers. Powers would apply in Great Britain (NI is separate). The powers are positioned to: (i) reduce deadweight by targeting support to households in need; (ii) provide an enduring mechanism in crises; and (iii) remain responsive as power and heat decarbonise. The IA recognises that specific scheme design and quantification are deferred to secondary-stage IAs once data-matching and delivery choices are set.

NPSV and EANDCB estimates: unquantified. By analogy, the IA cites the continuation of the Warm Home Discount to 2030/31, with an equity-weighted total NPSV of £2.5bn over the appraisal period, and estimated industry administrative costs of around £20m a year.

Rationale. Energy under-consumption harms health, and energy debt is elevated. The Warm Home Discount provides relief, but cannot tailor support to energy need and misses low-income non-claimants due to data constraints. The proposed powers would enable broader eligibility constructs and deeper data-matching (with suppliers/administrator) to target affordability more precisely, including in price spikes, without defaulting to universal schemes. A theory-of-change outlines outcomes: better targeted support; crisis responsiveness; adaptability as the system changes.

Identification of options. The IA now presents a fuller longlist: do nothing (continue under Energy Act 2010/Warm Home Discount constraints), non-regulatory, universal bill support, support outside the energy system, and new enabling powers for targeted schemes. Detailed design is deferred to secondary legislation. The powers envisage supplier obligations, data-sharing to identify households, scheme administrator functions, and reconciliation mechanisms—to be specified later. The IA now has an options assessment, narrowing the longlist using CSFs, to a shortlist of do nothing, non-regulatory action and targeted powers. The SaMBA notes most suppliers likely to be in scope are large, and smaller suppliers could be exempted, as under the Warm Home Discount's 1,000-account threshold.

Justification of preferred way forward. The IA justifies taking primary powers to: target support to low-income/vulnerable households more accurately as data-matching improves; provide an enduring mechanism without returning to universal relief; and adapt alongside retail reforms and heat decarbonisation so support remains relevant.

Scorecard. Satisfactory. At this primary stage the IA cannot fully quantify a future scheme, noting costs and benefits will depend on design choices and be assessed in secondary IAs. However, the scorecard now goes further, including illustrative NPSV figures by analogy to the continuation of the Warm Home Discount and expectation of better targeting. The scorecard should distinguish more clearly between what is evidenced now and what depends on scheme design.

Monitoring and evaluation. Satisfactory. A core assumption is successful data-sharing with industry to identify need. The IA indicates that monitoring and evaluation of a future scheme could build on existing Warm Home Discount reporting and evaluation, with a more detailed scoping phase ahead of implementation once scheme design is settled. It also indicates that at least a year of operation may be needed before an interim review provides a reliable read-out, taking seasonality into account.

IA22 Smart meters (extension of rollout)

Extending the Secretary of State's existing powers to modify licence conditions and industry codes for smart metering, by five years from November 2028 to 2033. This supports completion of the domestic rollout by 2030 and the transition from 2G to 4G communications by 2033. Around 71% of meters are smart or advanced.

NPSV and EANDCB estimates: none; the extension has no direct impacts.

Rationale. The IA explains that the powers expire in November 2028, and that without them the government could not direct the final stages of the rollout or protect consumers during the transition to 4G communications. It cites NESO's estimate that 86–90% operational smart meter coverage is needed for Clean Power 2030, and the positive externalities of smart metering. The objectives are directional; the Department should make them measurable, for example through operational coverage targets.

Identification of options. The IA assesses do nothing, and five-year and ten-year extensions, against its three objectives, and reasonably explains that the powers cannot be split further. The SaMBA shows that 21 of 49 suppliers are small or micro, but operate around 1% of smart meters, and notes that exemptions for the smallest suppliers can be considered when secondary legislation is made.

Justification of preferred way forward. The IA reasonably prefers a five-year extension, consistent with previous extensions, as a ten-year extension risks signalling weaker commitment to completing the rollout by 2030 and could leave powers unused. The Department should confirm the powers will be sufficient to address issues arising from the 2G switch-off, which is due by the end of 2033.

Scorecard. Satisfactory. The IA explains that the extension has no direct impacts, and illustrates the scale of benefits from secondary legislation made under the powers, such as £599m to £1,861m for the Post 2025 framework. Impacts should be quantified in IAs for any secondary legislation.

Monitoring and evaluation. Satisfactory. The IA draws on the programme's Benefits Realisation and Evaluation Plan. This includes quarterly installation and operation data from suppliers, the DCC, ElectraLink and Xoserve, consumer surveys and impact evaluations, all overseen by the programme's Cost and Benefits Review Board. The Department should update the timing of the interim programme evaluation, due to have reported in summer 2026, and set out how use of the extended powers will be monitored.

IA23 Transmission Licence Exemption Reform

Reforming transmission licence exemptions, and better aligning the start of the Generator Commissioning Clause (GCC) for offshore wind projects with the Ofgem tender process. This aims to reduce delays in the exemptions process, improve certainty for affected projects, and support smoother functioning of the transmission regime.

Quantified impacts are limited, with wider business benefits from earlier certainty described qualitatively.

NPSV estimate: £0.02m
EANDCB estimate: £0.001m

Rationale. The IA sets out a clear strategic case: transmission is critical to delivering offshore wind and supporting faster onshore connections, and current GCC and exemption arrangements create timing misalignments, administrative burdens and legal uncertainty. The IA explains why the current statutory process creates avoidable delays and why technical legislative changes are needed to address the timing and process problems. The SMART objectives are measurable: reducing exemption times from six to nine months to four, and the share of GCC periods starting before the Ofgem tender from 87.5% to zero.

Identification of options. The IA compares a do-nothing baseline with two complementary reforms: granting transmission licence exemptions by ministerial direction rather than statutory instrument, and aligning the GCC start date with the Ofgem tender process. It explains why variants such as removing statutory consultation, or giving Ofgem discretion over the GCC start date, were not taken forward. The IA explains that no small businesses are expected to be directly affected, and exemption would be inappropriate because the measure is deregulatory.

Justification of preferred way forward. The IA argues persuasively that primary legislation is necessary, to align GCC timing and change the process for issuing transmission licence exemptions. The 2 measures address separate problems and are assessed as a package against do nothing. The IA proportionately justifies retaining statutory consultation, and tying the GCC start to tender milestones rather than Ofgem discretion, to keep incentives on developers.

Scorecard. Satisfactory. The IA now reports a net present social value of £24,000, comprising £39,000 of administrative cost savings to the public sector offset by £14,000 of one-off familiarisation costs to businesses. It identifies non-quantified business benefits from earlier certainty over whether exemptions are required and when they will be granted. The IA classifies the measure as deregulatory despite a positive EANDCB, relying on unquantified certainty benefits; the Department could illustrate their scale.

Monitoring and evaluation. Satisfactory. A post-implementation review is not planned because it would be disproportionate given the size of the impacts. The measure will instead be monitored through ad-hoc tracking of casework volumes and wider reviews of electricity networks policy.

IA24 Updating regulation of radioactive waste and spent fuel

Creating a delegated power to amend the Transfrontier Shipment of Radioactive Waste and Spent Fuel (EU Exit) Regulations 2019, with the first intended use for secondary legislation to bring Naturally Occurring Radioactive Material (NORM) waste movements into scope and later uses to align with international standards and streamline processes. The IA describes application costs for operators and shippers. Wider benefits (regulatory clarity, international compliance) are qualitative.

NPSV estimate: -£1.3m
EANDCB estimate: £0.2m

Rationale. The IA clearly explains the post-EU-exit gap and the need for a delegated power to maintain alignment and manage NORM shipments. The Department should make Objectives 2 and 3 measurable.

Identification of options. The IA identifies three options (no power, narrow/time-limited power, general delegated power) and explains why the preferred delegated power offers flexibility. The SaMBA identifies no known affected small businesses, as NORM shipments are mainly by large offshore operators, and reasonably explains that exemption would undermine the policy, with temporary compliance periods and guidance as mitigations. The range of options is narrow and non-regulatory approaches are dismissed briefly. The Department should explain why no further credible alternatives were available.

Justification of preferred way forward. The case for a general delegated power is persuasive. The IA sets out the limited scale of business costs from this primary power. The IA should set out safeguards e.g. scope limits, consultation norms, review points, that will be employed as part of secondary legislation.

Scorecard. Satisfactory. The Department provides a comprehensive description of impacts, and there will need to be better quantification at secondary legislation stage. The Department should clarify the counterfactual: options compare the power against primary legislation for each change, yet costs are assessed against current arrangements, giving a positive EANDCB for an apparently less burdensome route.

Monitoring and evaluation. Weak. The IA states that a plan will be developed for secondary legislation. It should identify data sources, such as the number of NORM consent applications and determination times, and confirm KPIs before the first use of the power.

IA25 Warm Homes Agency (WHA) Taking powers to transfer the administration of around 20 energy efficiency and clean heat schemes from DESNZ, Ofgem and Salix to the WHA, a new executive agency, or another appropriate body. The Bill also creates transfer scheme powers, information gateways, powers to compel data from licence holders, enforcement powers, a spending power for Scottish schemes, and powers relating to the Renewable Energy Guarantees of Origin scheme. Setting up the agency itself does not need legislation. NPSV and EANDCB estimates: unquantified.	Incorrect version submitted