

# Energy Bill

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## COMMONS AMENDMENT

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*[The page and line references are to HL Bill 52, the bill as first printed for the Lords.]*

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### After Clause 40

#### LORDS AMENDMENT NO. 42

42 Insert the following new Clause –

**“Feed-in tariffs: electricity**

- (1) The Secretary of State may modify –
  - (a) a condition of a particular licence under section 6(1)(c) or (d) of the Electricity Act 1989 (c. 29) (distribution and supply licences);
  - (b) the standard conditions incorporated in licences under those provisions by virtue of section 8A of that Act;
  - (c) a document maintained in accordance with the conditions of licences under section 6(1) of that Act, or an agreement that gives effect to a document so maintained.
- (2) The Secretary of State may exercise the power in subsection (1) for the purpose only of –
  - (a) establishing, or making arrangements for the administration of, a scheme of financial incentives to encourage small-scale low-carbon generation of electricity;
  - (b) requiring or enabling the holder of a distribution licence to make arrangements for the distribution of electricity generated by small-scale low-carbon generation;
  - (c) requiring the holder of a licence to make arrangements related to the matters mentioned in paragraph (a) or (b).
- (3) Modifications made by virtue of subsection (1) may include –
  - (a) provision requiring the holder of a supply licence to make a payment to a small-scale low-carbon generator, or to the Authority

- for onward payment to such a generator, in specified circumstances;
- (b) provision specifying how a payment under paragraph (a) is to be calculated;
  - (c) provision for the level of payment under paragraph (a) to decrease year by year in accordance with a formula published, or to be published, by the Secretary of State;
  - (d) provision about the circumstances in which no payment, or a reduced payment, may be made to a small-scale low-carbon generator;
  - (e) provision about the circumstances in which a payment may be recovered from a small-scale low-carbon generator;
  - (f) a requirement for the holder of a supply licence or distribution licence to pay a levy to the Authority at specified times;
  - (g) provision specifying how a levy under paragraph (f) is to be calculated (which may require specified matters to be determined by the Authority or the Secretary of State);
  - (h) provision conferring an entitlement on the holder of a supply licence or distribution licence to receive a payment from the Authority.
- (4) In this section –
- “Authority” means the Gas and Electricity Markets Authority;
  - “distribution licence” means a licence under section 6(1)(c) of the Electricity Act 1989 (c. 29);
  - “owner”, in relation to any plant which is the subject of a hire purchase agreement, a conditional sale agreement or any agreement of a similar nature, means the person in possession of the plant under that agreement;
  - “plant” includes any equipment, apparatus or appliance;
  - “small-scale low-carbon generation” means the use, for the generation of electricity, of any plant –
    - (a) which, in generating electricity, relies wholly or mainly on a source of energy or a technology mentioned in subsection (5), and
    - (b) the capacity of which to generate electricity does not exceed the specified maximum capacity;
  - “small-scale low-carbon generator” means an owner of plant used or intended to be used for small-scale low-carbon generation, whether or not the person is also operating or intending to operate the plant;
  - “specified maximum capacity” means the capacity specified by the Secretary of State by order, which must not exceed 3 megawatts;
  - “supply licence” means a licence under section 6(1)(d) of the Electricity Act 1989 (c. 29).
- (5) The sources of energy and technologies are –
- (a) biomass;
  - (b) biofuels;
  - (c) fuel cells;
  - (d) photovoltaics;
  - (e) water (including waves and tides);

- (f) wind;
  - (g) solar power;
  - (h) geothermal sources;
  - (i) combined heat and power systems with an electrical capacity of 50 kilowatts or less.
- (6) The Secretary of State may by order modify the list of sources of energy and technologies for the time being listed in subsection (5).
- (7) The power conferred by subsection (1) –
- (a) may be exercised generally, only in relation to specified cases or subject to exceptions (including provision for a case to be excepted only so long as specified conditions are satisfied);
  - (b) may be exercised differently in different cases or circumstances;
  - (c) includes a power to make incidental, supplemental, consequential or transitional modifications.
- (8) Provision included in a licence by virtue of that power –
- (a) need not relate to the activities authorised by the licence;
  - (b) may make different provision for different cases.”

#### COMMONS AGREEMENT WITH AMENDMENT

*The Commons agree to Lords Amendment 42 with the following Amendment –*

**42A** Line 64, leave out “3” and insert “5”