Climate Change and Sustainable Energy Act 2006

2006 CHAPTER 19

An Act to make provision about the reduction of emissions of greenhouse gases, the alleviation of fuel poverty, the promotion of microgeneration and the use of heat produced from renewable sources, compliance with building regulations relating to emissions of greenhouse gases and the use of fuel and power, the renewables obligation relating to the generation and supply of electricity and the adjustment of transmission charges for electricity; and for connected purposes. [21st June 2006]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Purposes

1 Purposes

(1) The principal purpose of this Act is to enhance the United Kingdom's contribution to combating climate change.

(2) In performing functions under this Act, the relevant persons and bodies shall have regard to—

(a) the principal purpose set out in subsection (1),

(b) the desirability of alleviating fuel poverty, and

(c) the desirability of securing a diverse and viable long-term energy supply.

(3) In this section "the relevant persons and bodies" means—

(a) the Secretary of State;

(b) any public authority.

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Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to Climate Change and Sustainable Energy Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)*

Reports on greenhouse gas emissions

2 Annual report on greenhouse gas emissions

It shall be the duty of the Secretary of State in the course of each calendar year to lay before Parliament a report on—

(a) steps taken by government departments during the previous calendar year to reduce emissions of greenhouse gases, and

(b) the level of emissions of greenhouse gases in the United Kingdom during the previous calendar year, including any increase or decrease in that level recorded during that year.

Local authorities

3 Local authorities to have regard to information on energy measures in exercising functions

(1) The Secretary of State—

(a) must, not later than 12 months after this section comes into force, publish an energy measures report, and

(b) may from time to time publish revised energy measures reports.

(2) Every local authority must, in exercising any of their functions, have regard to the most recently published energy measures report (if any).

(3) In this section, "energy measures report" means a document containing information on local authority measures which would or might in the opinion of the Secretary of State have any of the following effects—

(a) improving efficiency in the use of electricity, heat, gas, fuel and other descriptions or sources of energy;

(b) increasing the amount of electricity generated, or heat produced, by microgeneration or otherwise by plant which relies wholly or mainly on low-emissions sources or technologies;

(c) reducing emissions of greenhouse gases;

(d) reducing the number of households in which one or more persons are living in fuel poverty.

(4) In subsection (3)—

"local authority measure" means any way in which a local authority can exercise any of their functions, including—

(a) taking any particular step in the exercise of a function, or

(b) not exercising a particular power;

"low-emissions source or technology" means a source of energy or a technology mentioned in subsection (2) of section 26.

(5) Before publishing an energy measures report (or a revised energy measures report), the Secretary of State must consult the National Assembly for Wales and—

(a) such representatives of local government, and

(b) such other persons (if any),

as he considers appropriate.

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(6) In this section, "local authority" means any of the following—

(a) a county council;

(b) a county borough council;

(c) a district council;

(d) a London borough council;

(e) the Common Council of the City of London in their capacity as a local authority;

(f) the Council of the Isles of Scilly;

(g) a parish council;

(h) a community council.

Microgeneration

4 National targets for microgeneration

(1) The Secretary of State must, during the period beginning with 1st November 2008 and ending with 31st March 2009—

(a) designate one or more national microgeneration targets, and

(b) publish a statement of that fact together with a copy of the target or targets.

(2) But subsection (1) does not apply unless on 1st November 2008 the Secretary of State considers that it would be appropriate to designate one or more targets under that subsection.

(3) For the purposes of this section, a national microgeneration target is a target in respect of—

(a) the number of microgeneration systems installed in England and Wales, and

(b) the number of electricity microgenerating systems installed in Scotland,

as at a date specified in the target ("the target date").

(4) The matters to which the Secretary of State must have regard in determining whether subsection (1) applies include, in particular—

(a) the number of microgeneration systems installed in England and Wales,

(b) the number of electricity microgenerating systems installed in Scotland,

(c) the strategy published under section 82 of the Energy Act 2004 (c. 20) (microgeneration), and

(d) the results of any research carried out into the effect that designating a target under subsection (1) could be expected to have on the number of microgeneration systems that are installed in England and Wales, and the number of electricity microgenerating systems that are installed in Scotland, by the target date.

(5) If a target is designated under subsection (1), the Secretary of State must take reasonable steps to secure that the target is met.

(6) If the Secretary of State does not designate a target under subsection (1) he shall publish forthwith a statement of his reasons.

(7) At any time before the target date, the Secretary of State may review a target and, if he considers it appropriate to do so, revise the target.

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(8) If under subsection (7) the Secretary of State revises a target—

(a) he must publish a statement of that fact together with a copy of the revised target, and

(b) the revised target is treated for the purposes of subsection (5) and section 5 as a target designated under subsection (1) (in place of the target which has been revised).

(9) In this section—

"electricity microgenerating system" means a microgeneration system for generating electricity;

"microgeneration system" means any plant or system of plant for generating electricity or producing heat—

(a) which, in generating electricity or (as the case may be) producing heat, relies wholly or mainly on a source of energy or a technology mentioned in subsection (7) of section 82 of the Energy Act 2004 (c. 20), and

(b) whose capacity to generate electricity or (as the case may be) to produce heat does not exceed the capacity mentioned in subsection (8) of that section;

"plant" includes any equipment, apparatus or appliance.

5 National microgeneration targets: modification of section 1 of the Sustainable Energy Act 2003

(1) This section applies if a target is designated under section 4.

(2) Section 1 of the Sustainable Energy Act 2003 (c. 30) (annual reports on progress towards sustainable energy aims) applies in relation to every relevant sustainable energy report as if after subsection (1B) there were inserted—

"(1BA) The report must also include such information as the Secretary of State considers appropriate about things done during the reporting period for the purpose of meeting any target designated under section 4 of the Climate Change and Sustainable Energy Act 2006 (national targets for microgeneration).",

and as if, in subsection (1C), for "subsection (1A)" there were substituted " subsections (1A) and (1BA) ".

(3) For the purposes of this section—

(a) a sustainable energy report is a relevant sustainable energy report in relation to a target designated under subsection (1) of section 4 if the reporting period to which the report relates includes the period, or any part of the period, to which the target relates,

(b) a target designated under subsection (1) of that section relates to the period beginning when it is designated and ending with the target date (within the meaning of that section),

(c) "reporting period", in relation to a sustainable energy report, has the meaning given by section 1 of the Sustainable Energy Act 2003, and

(d) "sustainable energy report" means a sustainable energy report which is required to be published under that section.

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6 Reports under section 1 of the Sustainable Energy Act 2003: microgeneration

In section 1(1A) of the Sustainable Energy Act 2003 (c. 30) (annual reports on progress towards sustainable energy aims)—

(a) omit "and" at the end of paragraph (b), and

(b) at the end of paragraph (c) insert "; and

(d) things done during that period for the purpose of implementing the strategy for the promotion of microgeneration in Great Britain published under section 82 of the Energy Act 2004."

7 Sale of electricity generated by microgeneration: power to modify distribution and supply licences etc

(1) Where the Secretary of State considers it appropriate to do so for the purpose of increasing the amount of the electricity consumed in Great Britain that is generated by microgeneration, he may make—

(a) relevant modifications of the conditions of a distribution licence or a supply licence held by a particular person;

(b) relevant modifications of the standard conditions of distribution licences or supply licences.

(2) For the purposes of subsection (1), "relevant modifications" means—

(a) in relation to a distribution licence, modifications—

(i) imposing conditions requiring the holder of such a licence to provide information to holders of supply licences about the connection to the distribution system, or use, of microgeneration plant, or

(ii) for the purposes of enabling or facilitating holders of supply licences to satisfy any conditions of such licences of a description mentioned in paragraph (b), and

(b) in relation to a supply licence, modifications imposing conditions requiring the holder of such a licence to offer to acquire electricity generated by microgeneration by the licenceholder's customers;

and also includes incidental, consequential or transitional modifications.

(3) A modification under subsection (1)(a) of part of a standard condition of a distribution licence or supply licence does not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of Part 1 of the Electricity Act 1989 (c. 29).

(4) Where the Secretary of State makes modifications under subsection (1)(b) of the standard conditions of distribution licences or supply licences, the Gas and Electricity Markets Authority must make (as nearly as may be) the same modifications of those standard conditions for the purposes of their incorporation in distribution licences or, as the case may be, supply licences granted after that time.

(5) Conditions included in a distribution licence or supply licence by virtue of a power conferred by this section—

(a) need not relate to the activities authorised by the licence, and

(b) may do any of the things authorised in relation to licences of that kind by section 7(2) to (4) of the Electricity Act 1989 (which applies to the Gas and

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Electricity Markets Authority's power with respect to licence conditions under section 7(1)(a) of that Act).

(6) In this section and section 8—

"distribution licence" has the meaning given by section 6(1)(c) of the Electricity Act 1989 (c. 29) (licences authorising supply, etc);

"microgeneration plant" means plant used, or intended for use, for generating electricity by microgeneration, where "plant" includes any equipment, apparatus or appliance;

"supply licence" has the meaning given by section 6(1)(d) of the Electricity Act 1989.

(7) In section 33(1) of the Utilities Act 2000 (c. 27) (standard conditions of electricity licences)—

(a) omit "or" at the end of paragraph (a), and

(b) after paragraph (b) insert "or

(c) under section 7 of the Climate Change and Sustainable Energy Act 2006 (sale of electricity generated by microgeneration: power to modify distribution and supply licences etc).".

8 Exercise of powers under section 7

(1) Before making any modification of a distribution licence or a supply licence under section 7, the Secretary of State must consult—

(a) the holder of any licence being modified, and

(b) such other persons as he considers appropriate.

(2) The Secretary of State must publish every modification made by him under that section.

(3) The publication must be in such manner as the Secretary of State considers appropriate.

(4) Where the Gas and Electricity Markets Authority makes modifications of standard conditions under section 7(4), it must publish the modifications in such manner as it considers appropriate.

(5) The Secretary of State's powers under section 7 are exercisable only during the period which—

(a) begins with the first anniversary, and

(b) ends with the third anniversary,

of the commencement of that section.

(6) Sections 3A to 3D of the Electricity Act 1989 (principal objectives and general duties) apply to the carrying out of functions conferred on the Secretary of State, or on the Gas and Electricity Markets Authority, by section 7 or this section as they apply in relation to the carrying out of functions conferred on him, or on it, by or under Part 1 of that Act.

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9 Functions of the Gas and Electricity Markets Authority in relation to microgeneration

In section 47 of the Electricity Act 1989 (functions of the Gas and Electricity Markets Authority), after subsection (1) insert—

"(1A) The activities to which subsection (1) applies also include, in particular, activities connected with the generation of electricity by microgeneration or with the transmission and supply of electricity so generated.

(1B) In subsection (1A), "microgeneration" has the same meaning as it has in the Climate Change and Sustainable Energy Act 2006.".

10 Review of permitted development orders

(1) The Secretary of State shall for the purpose mentioned in subsection (2) carry out a review of the effect in England of development orders made by virtue of section 59(2)(a) of the Town and Country Planning Act 1990 (c. 8) (which confers power by order to grant planning permission for development or a class of development specified in the order).

(2) The purpose of the review is to enable the Secretary of State to form a view as to what provision (or further provision) such development orders should make to facilitate development in England consisting of the installation, within the curtilage of a dwellinghouse, of equipment, apparatus or appliances for microgeneration.

(3) As soon as reasonably practicable after he has carried out the review, the Secretary of State must lay before Parliament a report of the review, including his view as mentioned in subsection (2) and the reasons for it.

(4) The report must also set out what provision (or further provision), if any, the Secretary of State proposes to make in development orders by virtue of section 59(2)(a) of the Town and Country Planning Act 1990 in consequence of the review.

(5) Where the Secretary of State proposes to make provision (or further provision) in development orders in consequence of the review, he must—

(a) exercise his powers under section 59 of the Town and Country Planning Act 1990 so as to provide that development orders made by virtue of that section make such provision in consequence of the review as he considers appropriate, and

(b) exercise those powers as soon as reasonably practicable after laying the report before Parliament under subsection (3).

(6) In this section—

"dwellinghouse" does not include a building containing one or more flats, or a flat contained within such a building;

"flat" means a separate and self-contained set of premises constructed or adapted for use for the purpose of a dwelling and forming part of a building from some other part of which it is divided horizontally.

11 Building regulations: microgeneration

In Schedule 1 to the Building Act 1984 (c. 55) (building regulations), in paragraph 7(a), after paragraph (xxiid) insert—

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"(xxiie) the production of heat or the generation of electricity by microgeneration (as defined for the purposes of this paragraph by building regulations),".

Energy efficiency

12 Reports under section 1 of the Sustainable Energy Act 2003: energy efficiency of residential accommodation

(1) Section 1 of the Sustainable Energy Act 2003 (c. 30) (annual reports on progress towards sustainable energy aims) is amended as follows.

(2) In subsection (1)—

(a) omit "and" at the end of paragraph (c), and

(b) at the end of paragraph (d) insert "; and

(e) achieving the target set out in section 217(1) of the Housing Act 2004 (target for the energy efficiency of residential accommodation in England)."

(3) After subsection (1A) insert—

"(1AA) The report must also include estimates of the effect of the progress made in the reporting period towards achieving the target set out in section 217(1) of the Housing Act 2004 on—

(a) emissions of carbon dioxide in England, and

(b) the number of households in which one or more persons are living in fuel poverty."

Building regulations relating to emissions and use of fuel and power

13 Time limit for prosecutions

(1) After section 35 of the Building Act 1984 (c. 55) insert—

"35A Time limit for prosecution for contravention of certain building regulations

(1) Despite anything in section 127(1) of the Magistrates' Courts Act 1980 (c. 43), an information relating to a relevant offence may be tried by a magistrates' court if it is laid at any time—

(a) within the period of two years beginning with the day on which the offence was committed, and

(b) within the period of six months beginning with the relevant date.

(2) In subsection (1) above, "relevant offence" means a contravention of a provision contained in building regulations which is designated in the regulations as one to which this section applies.

(3) A provision may be designated under subsection (2) above if, and only if—

(a) it was made—

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(i) for the purpose of furthering the conservation of fuel and power or otherwise in connection with the use of fuel and power, or

(ii) for the purpose of reducing emissions of greenhouse gases (within the meaning of the Climate Change and Sustainable Energy Act 2006), and

(b) contravention of the provision would be an offence under section 35 above.

(4) In subsection (1)(b) above, "the relevant date" means the date on which evidence sufficient to justify the proceedings comes to the knowledge of the person commencing the proceedings.

(5) In the case of proceedings commenced by a local authority—

(a) evidence is to be regarded for the purposes of subsection (4) above as sufficient to justify the proceedings if in the opinion of the proper officer or an authorised officer it is sufficient to justify the proceedings, and

(b) a certificate of the proper officer or, as the case may be, that authorised officer as to the date on which evidence which, in his opinion, was sufficient to justify the proceedings came to the knowledge of the person commencing the proceedings is to be conclusive evidence of that fact.

(6) Subsection (1) above does not apply in relation to a contravention of any provision contained in building regulations which was committed before that provision was designated under subsection (2) above."

(2) In section 53 of that Act (effect of initial notice ceasing to be in force), after subsection (6) insert—

"(6A) Subsection (6) above is without prejudice to any ability which, after that function has become exercisable, the local authority may have under section 35A above to commence proceedings for the offence after the end of that period of six months."

14 Report regarding compliance

(1) The Secretary of State—

(a) must, not later than 6 months after this section comes into force, lay before Parliament a report as mentioned in subsection (2), and

(b) may from time to time lay further such reports before Parliament.

(2) A report under this section is a report on what, if any, steps—

(a) he has taken during the reporting period, or

(b) he proposes to take,

with a view to securing a greater incidence of compliance with relevant provisions of building regulations.

(3) In this section—

"reporting period" means the period specified in the report as the period to which the report relates;

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"relevant provision", in relation to building regulations, means a provision of building regulations which is in force at any time during the reporting period and which, in the opinion of the Secretary of State, was made—

(a) for the purpose of furthering the conservation of fuel and power, or otherwise in connection with the use of fuel and power, or

(b) for the purpose of reducing emissions of greenhouse gases.

PROSPECTIVE

Carbon emissions reduction targets

15 Promotion of reductions in carbon emissions: gas transporters and suppliers

(1) Section 33BC of the Gas Act 1986 (c. 44) (promotion of the efficient use by consumers of gas) is amended as follows.

(2) In subsection (1)—

(a) for "energy efficiency target" substitute " carbon emissions reduction target ", and

(b) for "an "energy efficiency obligation"" substitute " a "carbon emissions reduction obligation" .

(3) For subsection (2) substitute—

"(2) In this section "carbon emissions reduction target" means a target for the promotion of any of the following—

(a) measures for improving energy efficiency, that is to say, efficiency in the use by consumers of electricity, gas conveyed through pipes or any other source of energy which is specified in the order;

(b) if the order so provides—

(i) measures for increasing the amount of electricity generated, or heat produced, by microgeneration;

(ii) any other measures of a description specified in the order for increasing the amount of electricity generated, or heat produced, using low-emissions sources or technologies;

(iii) measures for reducing the consumption of such energy as is mentioned in paragraph (a)."

(4) After subsection (10) insert—

"(10A) An order under this section shall not include provision made by virtue of subsection (2)(b) which would be within the legislative competence of the Scottish Parliament if it were contained in an Act of that Parliament."

(5) After subsection (12), add—

"(13) In this section—

"microgeneration" has the same meaning as in the Climate Change and Sustainable Energy Act 2006;

"plant" includes any equipment, apparatus or appliance.

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(14) For the purposes of subsection (2)(b)(ii), electricity is generated, or heat is produced, using low-emissions sources or technologies if it is generated, or produced, by plant which relies wholly or mainly on a source of energy or a technology mentioned in section 26(2) of the Climate Change and Sustainable Energy Act 2006."

16 Promotion of reductions in carbon emissions: electricity distributors and suppliers

(1) Section 41A of the Electricity Act 1989 (c. 29) (promotion of the efficient use by consumers of electricity) is amended as follows.

(2) In subsection (1)—

(a) for "energy efficiency target" substitute " carbon emissions reduction target ", and

(b) for "an "energy efficiency obligation"" substitute " a "carbon emissions reduction obligation" .

(3) For subsection (2) substitute—

"(2) In this section "carbon emissions reduction target" means a target for the promotion of any of the following—

(a) measures for improving energy efficiency, that is to say, efficiency in the use by consumers of electricity, gas conveyed through pipes or any other source of energy which is specified in the order;

(b) if the order so provides—

(i) measures for increasing the amount of electricity generated, or heat produced, by microgeneration;

(ii) any other measures of a description specified in the order for increasing the amount of electricity generated, or heat produced, using low-emissions sources or technologies;

(iii) measures for reducing the consumption of such energy as is mentioned in paragraph (a)."

(4) After subsection (10) insert—

"(10A) An order under this section shall not include provision made by virtue of subsection (2)(b) which would be within the legislative competence of the Scottish Parliament if it were contained in an Act of that Parliament."

(5) After subsection (12), add—

"(13) In this section—

"microgeneration" has the same meaning as in the Climate Change and Sustainable Energy Act 2006;

"plant" includes any equipment, apparatus or appliance.

(14) For the purposes of subsection (2)(b)(ii), electricity is generated, or heat is produced, using low-emissions sources or technologies if it is generated, or produced, by plant which relies wholly or mainly on a source of energy or a technology mentioned in section 26(2) of the Climate Change and Sustainable Energy Act 2006."

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17 Consequential amendments

The Schedule (which makes amendments consequential on sections 15 and 16) has effect.

Dynamic demand technologies

18 Reduction of greenhouse gas emissions: report regarding dynamic demand technologies

(1) The Secretary of State must, not later than 12 months after this section comes into force, publish a report on the contribution that is capable of being made by dynamic demand technologies to reducing emissions of greenhouse gases in Great Britain.

(2) The report must state the view of the Secretary of State as to whether it is appropriate to take any steps to promote the use of such technologies, and, if it is, what those steps are.

(3) In forming the view mentioned in subsection (2) the Secretary of State must have regard, in particular, to any matters which would prohibit or inhibit the use of any dynamic demand technology in any circumstance in which its use could be expected to make a contribution to reducing emissions of greenhouse gases in Great Britain; and the report must state the matters to which he has had regard.

(4) In this section—

"dynamic demand technology" means any technology which enables—

(a) the consumption of electricity, at a particular time, by a device connected to a network, or

(b) the generation of electricity, at a particular time, by an electricity microgenerating system connected to a network,

to be controlled or adjusted automatically by reference to, or to matters relating to, the frequency of alternating current on the network at that time;

"electricity microgenerating system" has the same meaning as in section 4;

"network" means a distribution system (within the meaning of Part 1 of the Electricity Act 1989 (c. 29)) or a transmission system (within the meaning of that Part).

Community energy and renewable heat

19 Promotion of community energy projects

(1) It shall be the duty of the Secretary of State to take such steps as he considers appropriate to promote community energy projects.

(2) In the exercise of his duty under subsection (1), the Secretary of State shall have regard to the desirability of promoting—

(a) schemes whose purpose or effect is the promotion of community energy projects,

(b) investment by others in such schemes and community energy projects, and

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(c) the provision of advice and assistance (whether by public authorities or any other persons) to persons establishing and operating, or proposing to establish and operate, community energy projects.

(3) In this section—

"community energy project" means—

(a) the use of relevant plant for a community purpose,

(b) the installation of relevant plant for use for a community purpose, or

(c) the adaptation of any plant for use as relevant plant for a community purpose;

"community purpose" means the purpose of—

(a) generating electricity for consumption wholly or mainly in qualifying premises, or

(b) producing heat for use wholly or mainly for heating qualifying premises;

"plant" includes any equipment, apparatus or appliance;

"premises" means any building or buildings (and for this purpose "building" includes part of a building);

"qualifying premises" means premises which—

(a) are used wholly or mainly for purposes other than carrying on a trade, business or profession, and

(b) in the case of premises which consist wholly or mainly of a dwelling or dwellings, contain at least five dwellings;

"relevant plant" means any plant which—

(a) in generating electricity or (as the case may be) producing heat, relies wholly or mainly on a source of energy or a technology mentioned in section 82(7) of the Energy Act 2004 (c. 20) (microgeneration), and

(b) satisfies the condition in subsection (4).

(4) Plant satisfies the condition in this subsection if its capacity does not exceed—

(a) in the case of plant for the generation of electricity, 20 megawatts, and

(b) in the case of plant for the production of heat, 100 megawatts thermal.

20 Parish councils and community councils: powers in relation to local energy saving measures

(1) A parish council or community council may encourage or promote any of the following—

(a) microgeneration within their area;

(b) the use within their area of electricity generated, or heat produced, by microgeneration;

(c) efficiency in the use, by persons in their area, of electricity, heat, gas, fuel and other descriptions or sources of energy;

(d) reductions in the amounts of such energy, or sources of energy, used by persons in their area;

(e) production in their area of—

(i) biomass, or

(ii) any fuel derived from biomass;

(f) use in their area of, or of electricity generated, or heat produced, from biomass or any such fuel.

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(2) The power conferred by subsection (1) includes, in particular, power—

(a) on application, to provide information about goods or services available within their area (whether offered or provided by public authorities or by any other persons), or

(b) to provide advice or assistance,

for the purpose of encouraging or facilitating any of the matters mentioned in that subsection.

(3) Assistance provided under subsection (1) may, if the council giving the assistance think appropriate—

(a) be made subject to conditions, or

(b) otherwise be provided on such terms as the council think appropriate.

(4) For the purposes of subsections (4) to (7B) of section 137 of the Local Government Act 1972 (c. 70) (power of local authorities to incur expenditure for certain purposes not otherwise authorised)—

(a) any expenditure incurred by a parish council or community council under this section is to be treated as having been incurred under that section, and

(b) any purpose for which expenditure may be incurred under this section is to be treated as a purpose for which such a council are authorised by that section to incur expenditure.

(5) Subsection (4) applies to expenditure incurred by a parish council or community council under section 142 of the Local Government Act 1972 on information as to the services provided by them under this section, or otherwise relating to their functions under this section, as it applies to expenditure incurred under this section.

(6) The appropriate person may by order amend the list of matters mentioned in subsection (1) by—

(a) adding any other matter whose addition would in the opinion of the person making the order be likely to contribute to reduction of greenhouse gases in England and Wales;

(b) omitting any matter for the time being included in the list.

(7) In subsection (6), "the appropriate person" means—

(a) in relation to England, the Secretary of State, and

(b) in relation to Wales, the National Assembly for Wales.

(8) The power conferred by subsection (6) includes—

(a) power to make different provision for different cases, and

(b) power to make such supplemental or consequential provision (including provision modifying this section) and such transitional or saving provision as the person making the order thinks fit.

(9) The power of the Secretary of State to make an order under subsection (6) is exercisable by statutory instrument.

(10) No order under that subsection may be made by the Secretary of State unless a draft of the order has been—

(a) laid before Parliament, and

(b) approved by a resolution of each House.

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21 Renewable heat

(1) It shall be the duty of the Secretary of State to take such steps as he considers appropriate to promote the use of heat produced from renewable sources.

(2) For the purposes of subsection (1), heat produced by any plant is produced from renewable sources to the extent that the plant is fuelled by renewable sources.

(3) The steps which the Secretary of State may take for the purposes of subsection (1) include, in particular, steps for the purpose of promoting—

(a) the installation of plant which is or may be fuelled by renewable sources,

(b) the adaptation of plant so as to enable it to be fuelled by renewable sources, or

(c) the production of heat by plant which is fuelled partly by renewable sources and partly by other sources.

(4) In this section—

"fossil fuel" means coal, substances produced directly or indirectly from coal, lignite, natural gas, crude liquid petroleum or petroleum products (and "natural gas" and "petroleum products" have the same meanings as in the Energy Act 1976 (c. 76));

"plant" includes any equipment, apparatus or appliance;

"renewable sources" means sources of energy other than fossil fuel or nuclear fuel.

22 Reports under section 1 of the Sustainable Energy Act 2003: community energy projects and renewable heat

In section 1(1A) of the Sustainable Energy Act 2003 (c. 30) (annual reports on progress towards sustainable energy aims)—

(a) at the end of paragraph (b) insert—

"(ba) things done during that period pursuant to section 19 of the Climate Change and Sustainable Energy Act 2006 for the purpose of promoting community energy projects;

(bb) things done during that period pursuant to section 21 of that Act for the purpose of promoting the use of heat produced from renewable sources;", and

(b) in paragraph (c), after "sections 2 and 3" insert " of this Act ".

Electricity from renewable sources

23 Renewables obligation: issue of green certificates

(1) Section 32B of the Electricity Act 1989 (c. 29) (green certificates) is amended as follows.

(2) In subsection (1), at the end insert " or, if the order so provides, to a person of any other description specified in the order ".

(3) In subsection (1A), at the end add " or, if the order provides that a certificate may certify the matters within subsection (2ZA), (2AA), (2AB) or (2AC), the matters within that subsection ".

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(4) In subsections (2) and (2A), for "to an electricity supplier or to a Northern Ireland supplier," substitute " otherwise than to the operator of a generating station, ".

(5) After subsection (2) insert—

"(2ZA) The matters within this subsection are—

(a) that two or more generating stations have, between them, generated from renewable sources the amount of electricity stated in the certificate; and

(b) that it has been supplied to customers in Great Britain (or the part of Great Britain stated in the certificate)."

(6) After subsection (2A) insert—

"(2AA) The matters within this subsection are—

(a) that two or more generating stations have, between them, generated from renewable sources the amount of electricity stated in the certificate;

(b) that none of them is a generating station mentioned in Article 54(1) of the Energy (Northern Ireland) Order 2003; and

(c) that the electricity has been supplied to customers in Northern Ireland.

(2AB) The matters within this subsection are—

(a) that the generating station, or, in the case of a certificate issued otherwise than to the operator of a generating station, a generating station specified in the certificate, has generated from renewable sources the amount of electricity stated in the certificate; and

(b) that the electricity has been used in a permitted way.

(2AC) The matters within this subsection are—

(a) that two or more generating stations have, between them, generated from renewable sources the amount of electricity stated in the certificate; and

(b) that the electricity has been used in a permitted way.

(2AD) For the purposes of subsections (2AB) and (2AC), electricity generated by a generating station, or generating stations, of any description is used in a permitted way if—

(a) it is used in one of the ways mentioned in subsection (2AE); and

(b) that way is specified in the order as a permitted way—

(i) in relation to all generating stations, or

(ii) in relation to generating stations of that description.

(2AE) Those ways are—

(a) being consumed by the operator of the generating station or generating stations by which it was generated;

(b) being provided to a distribution system or a transmission system in circumstances in which its supply to customers cannot be demonstrated;

(c) being used, as respects part, as mentioned in paragraph (a)and, as respects the remainder, as mentioned in paragraph (b);

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(d) being used, as respects part, as mentioned in paragraph (a), (b) or (c) and, as respects the remainder, by being supplied to customers in Great Britain or customers in Northern Ireland, or both."

(7) In subsection (2B), after "(2A)" insert " or (2AA) ".

(8) In subsection (3), after "(2)" insert " or (2AZ) ".

(9) In subsection (4), after "subsection (2A)" insert " or any of subsections (2AA) to (2AC) ".

24 Renewables obligation: issue of green certificates: further provisions

(1) In section 32 of the Electricity Act 1989 (c. 29) (obligation in connection with energy from renewable sources), in subsection (5), after "supply" insert " or other use ".

(2) In section 32A(3) of that Act (orders under section 32: supplementary)—

(a) omit "and" at the end of paragraph (a), and

(b) after paragraph (b) insert "and

(c) different provision in relation to generating stations of different descriptions,".

(3) In section 116 of the Energy Act 2004 (c. 20) (issue of green certificates in Great Britain), omit subsection (4)(b) (which amends section 32B(2)(a) of the Electricity Act 1989).

(4) The requirements of section 32(7) of the Electricity Act 1989 (consultation before making an order) may be satisfied in the case of an order containing provision made by virtue of section 23 or this section by consultation that took place wholly or partly before the commencement of that section or this section.

(5) The functions conferred by virtue of section 23 and this section on the Secretary of State are not to be exercisable by the Scottish Ministers, except in pursuance of an Order in Council made after the passing of this Act under section 63 of the Scotland Act 1998 (c. 46).

25 Adjustment of transmission charges for electricity

(1) Section 185 of the Energy Act 2004 (adjustment of transmission charges) is amended as provided in subsections (2) to (4).

(2) In subsection (1)(a), for "of Great Britain" substitute " in Great Britain ".

(3) After subsection (3) insert—

"(3A) If subsection (1) is satisfied in the case of two or more separate areas in Great Britain, an order under this section may relate to both, or all, of those areas.

(3B) This section has effect in relation to an order which, by virtue of subsection (3A), relates to two or more areas as if references in subsections (2), (3) and (10) to the area to which the scheme established by the order relates (however expressed) were references to the combined area."

(4) In subsection (11), for "more than ten years after the commencement of this section" substitute " later than 4 October 2024 ".

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(5) Subsection (7) of section 185 may be satisfied in relation to any order to be made under that section after the commencement of this section by publications and consultation taking place wholly or partly before that commencement.

Miscellaneous and final provisions

26 Interpretation

(1) In this Act—

"fuel poverty" shall be construed in accordance with the provisions of section 1 of the Warm Homes and Energy Conservation Act 2000 (c. 31);

"greenhouse gas" means any of the following—

(a) carbon dioxide;

(b) methane;

(c) nitrous oxide;

(d) hydrofluorocarbons;

(e) perfluorocarbons;

(f) sulphur hexafluoride;

"microgeneration" means the use for the generation of electricity or the production of heat of any plant (which, for this purpose, includes any equipment, apparatus or appliance)—

(a) which, in generating electricity or (as the case may be) producing heat, relies wholly or mainly on a source of energy or a technology mentioned in subsection (2), and

(b) the capacity of which to generate electricity or (as the case may be) to produce heat does not exceed the capacity mentioned in subsection (3);

"public authority" has the same meaning as in section 6 of the Human Rights Act 1998 (c. 42).

(2) Those 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.

(3) That capacity is—

(a) in relation to the generation of electricity, 50 kilowatts;

(b) in relation to the production of heat, 45 kilowatts thermal.

(4) The Secretary of State may by order amend subsection (2) by adding to the sources of energy and technologies for the time being listed any other source of energy or technology for the generation of electricity or production of heat if he considers that the use of that source of energy or technology would cut emissions of greenhouse gases in Great Britain.

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(5) The power to make an order under subsection (4) —

(a) is exercisable by statutory instrument, and

(b) includes power to make such supplemental or consequential provision (including provision modifying this section) and such transitional or saving provision as the Secretary of State thinks fit.

(6) No order under that subsection may be made unless a draft of the order—

(a) has been laid before Parliament, and

(b) has been approved by a resolution of each House.

27 Expenses

There shall be paid out of money provided by Parliament—

(a) any expenditure incurred by a Minister of the Crown by virtue of this Act, and

(b) any increase attributable to this Act in the sums payable out of money so provided under any other enactment.

28 Commencement

(1) Sections 1, 3 to 5, 7 to 11, 13, 14, 18 to 21 and 23 to 25 come into force at the end of the period of two months beginning with the day on which this Act is passed.

(2) Sections 2, 6, 12 and 22 come into force on 1st January 2007.

(3) Sections 15 to 17 come into force in accordance with provision made by the Secretary of State by order.

(4) The power of the Secretary of State to make an order under subsection (3)—

(a) is exercisable by statutory instrument, and

(b) includes power to make such transitory, transitional or saving provision as the Secretary of State considers necessary or expedient.

29 Short title and extent

(1) This Act may be cited as the Climate Change and Sustainable Energy Act 2006.

(2) Sections 3, 10, 11, 13, 14 and 19 to 21 extend to England and Wales only.

(3) Sections 4, 5, 7 to 9, 15 to 18 and 23 to 25 extend to England and Wales and Scotland only.

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PROSPECTIVE

SCHEDULE

Section 17

AMENDMENTS CONSEQUENTIAL ON SECTIONS 15 AND 16

Gas Act 1986 (c. 44)

1 The Gas Act 1986 is amended as provided in paragraphs 2 and 3.

2 (1) Section 33BC (promotion of the efficient use by consumers of gas) is amended as follows.

(2) For the sidenote substitute " Promotion of reductions in carbon emissions: gas transporters and gas suppliers ".

(3) In subsection (3), for "energy efficiency targets" substitute " carbon emissions reduction targets ".

(4) In subsection (5)—

(a) for "energy efficiency obligations", in the first place it occurs, substitute " carbon emissions reduction obligations ",

(b) in paragraph (b), for "an energy efficiency target" substitute " a carbon emissions reduction target ",

(c) in paragraph (c), after "efficiency" insert " , increases in the amount of electricity generated, or heat produced, by microgeneration or otherwise using low-emissions sources or technologies or reductions in energy consumption ",

(d) in paragraphs (d) and (f), for "energy efficiency obligations" substitute " carbon emissions reduction obligations ", and

(e) in paragraph (e)—

(i) in sub-paragraph (i), for "energy efficiency target" substitute " carbon emissions reduction target ", and

(ii) in sub-paragraph (ii), after "efficiency" insert " , increase in the amount of electricity generated, or heat produced, by microgeneration or otherwise using low-emissions sources or technologies or reduction in energy consumption ".

(5) In subsection (6), for "energy efficiency obligation" substitute " carbon emissions reduction obligation ".

(6) In subsection (7), for "energy efficiency target" in each of paragraphs (a), (b), (d) and (e) substitute " carbon emissions reduction target ".

3 In section 33DA(1)(a)(ii) (publication of statistical information relating to performance in respect of energy efficiency obligations), for "energy efficiency obligations" substitute " carbon emissions reduction obligations ".

Electricity Act 1989 (c. 29)

4 The Electricity Act 1989 is amended as provided in paragraphs 5 and 6.

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5 (1) Section 41A (promotion of the efficient use by consumers of electricity) is amended as follows.

(2) For the sidenote substitute " Promotion of reductions in carbon emissions: electricity distributors and electricity suppliers ".

(3) In subsection (3), for "energy efficiency targets" substitute " carbon emissions reduction targets ".

(4) In subsection (5)—

(a) for "energy efficiency obligations", in the first place it occurs, substitute " carbon emissions reduction obligations ",

(b) in paragraph (b), for "an energy efficiency target" substitute " a carbon emissions reduction target ",

(c) in paragraph (c), after "efficiency" insert " , increases in the amount of electricity generated, or heat produced, by microgeneration or otherwise using low-emissions sources or technologies or reductions in energy consumption ",

(d) in paragraphs (d) and (f), for "energy efficiency obligations" substitute " carbon emissions reduction obligations ", and

(e) in paragraph (e)—

(i) in sub-paragraph (i), for "energy efficiency target" substitute " carbon emissions reduction target ", and

(ii) in sub-paragraph (ii), after "efficiency" insert " , increase in the amount of electricity generated, or heat produced, by microgeneration or otherwise using low-emissions sources or technologies or reduction in energy consumption ".

(5) In subsection (6), for "energy efficiency obligation" substitute " carbon emissions reduction obligation ".

(6) In subsection (7), for "energy efficiency target" in each of paragraphs (a), (b), (d) and (e) substitute " carbon emissions reduction target ".

6 In section 42AA(1)(a)(ii) (publication of statistical information relating to performance in respect of energy efficiency obligations), for "energy efficiency obligations" substitute " carbon emissions reduction obligations ".

Utilities Act 2000 (c. 27)

7 (1) Section 103 of the Utilities Act 2000 (overall energy efficiency targets) is amended as follows.

(2) In the sidenote, for "energy efficiency targets" substitute " carbon emissions reduction targets ".

(3) In subsection (1)—

(a) in each of paragraphs (a) and (b), for "energy efficiency requirements for" substitute " promotion of reductions in carbon emissions: ", and

(b) for "improvements in energy efficiency" substitute " the measures mentioned in subsection (2) of each of those sections ".

(4) In subsection (3), for "energy efficiency targets" substitute " carbon emissions reduction targets ".

Status:
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Changes to legislation:
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Changes and effects yet to be applied to :

- s. 2 repealed by 2008 c. 27 s. 82
- s. 3 heading substituted by 2008 c. 27 s. 81(3)(a)
- s. 3(2) text amended by 2008 c. 27 s. 81(3)(b)
- s. 3(4) text amended by 2008 c. 27 s. 81(3)(c)
- s. 3(5) text amended by 2008 c. 27 s. 81(3)(d)
- s. 3(6)(b) omitted by 2008 c. 27 s. 81(3)(e)
- s. 3(6)(h) omitted by 2008 c. 27 s. 81(3)(e)
- s. 5(2) text amended by 2008 c. 32 s. 87(2) Sch. 6
- s. 14 transfer of functions by S.I. 2009/3019 art. 2(b)(ii) 5
- s. 15-17 Coming into force by S.I. 2007/538 art. 2 (commencement order for 2006 c. 19)
- s. 18 repealed by 2008 c. 32 Sch. 6
- s. 22(b) and word repealed by 2008 c. 32 Sch. 6
- s. 23 repealed by 2008 c. 32 Sch. 6
- s. 24 repealed by 2008 c. 32 Sch. 6
- s. 26(2)(ha) inserted by S.I. 2008/1767 art. 2

Changes and effects yet to be applied to the whole Act, associated Parts and Chapters:
Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 3A inserted by 2008 c. 27 s. 81(2)

Commencement Orders yet to be applied to the Climate Change and Sustainable Energy Act 2006:
Commencement Orders bringing provisions within this Act into force:

- S.I. 2007/538 art. 2 commences (2006 c. 19)

Commencement Orders bringing legislation that affects this Act into force:

- S.I. 2009/45 art. 2-4 Commencement Order