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Make provision about the development and promotion of a sustainable energy policy; to amend the Utilities Act 2000; and for connected purposes.

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:—

1 Sustainable energy policy

- (1) For the purposes of developing and promoting a sustainable energy policy, it shall be the duty of the appropriate authority to publish within one year of the passing of this Act and annually thereafter a report to Parliament specifying—
- (a) those measures that it intends to take to move towards—5
 - (i) the achievement of the amount of electricity generated from renewable sources being increased to 25 per cent. by the end of 2020;
 - (ii) the achievement of the generation of 10GW of electricity by combined heat and power by the end of 2010 and a further 10GW by 2020; and 10
 - (iii) the achievement of a reduction of emissions of carbon dioxide by 20 per cent. by 2010 based on 1990 levels; and
 - (b) those policies that in its opinion would reduce emissions of carbon dioxide by 60 per cent. by 2050 based on 1990 levels. 15
- (2) A report shall include an assessment of the respective roles of—
- (a) wind power, solar power, hydro-electric power, tidal power, wave power, geothermal power, biomass and biogas in the generation of electricity;
 - (b) biomass and biogas, geothermal energy and solar thermal energy in the generation of heat; 20
 - (c) types of renewable energy, other than those listed in paragraphs (a) and (b), in the generation of heat and electricity;
 - (d) various types of combined heat and power, including coal mine methane, combined cycle gas turbine technology and integrated 25

- gasification combined cycle technology in the generation of heat and electricity;
- (e) energy generation systems that can be integrated into buildings, including but not restricted to photo-voltaics, heat pumps, micro wind power and domestic micro combined heat and power systems; and 5
- (f) the actions of individual consumers
- in the development of a sustainable energy policy, and may include setting such targets, whether national, regional or local, as the appropriate authority thinks are appropriate.
- (3) A report shall also include an assessment of the role of— 10
- (a) energy certification schemes for new and existing buildings and of inspection schemes for boilers and heating and cooling systems; and
- (b) measures to limit energy use in the manufacture and transport of construction materials and the construction of buildings
- in the development of a sustainable energy policy. 15
- (4) A report shall list—
- (a) the increase in capacity achieved or planned in respect of any of the technologies specified in subsection (2) above, and
- (b) as regards any increases planned, an indication as to how they are to be achieved. 20
- (5) A report shall indicate the achievement of any objectives or targets, whether of a national, regional, or local nature, set pursuant to this Act.

2 Domestic energy efficiency

- (1) For the purposes of developing and promoting a sustainable energy policy the appropriate authority shall take reasonable steps to achieve an improvement in domestic energy efficiency of at least 20 per cent. by the end of 2010 based on 2002 levels, and those steps may include— 25
- (a) encouraging energy conservation authorities to implement measures in their energy conservation reports drawn up pursuant to the Home Energy Conservation Act 1995 (c. 10); 30
- (b) issuing further guidance to energy conservation authorities pursuant to the Home Energy Conservation Act 1995;
- (c) progressively raising the efficiency standards of boilers;
- (d) promoting improved heating controls;
- (e) insulating cavity walls; 35
- (f) improved standards of new build and refurbishment through revisions to the building regulations;
- (g) community heating with CHP; and
- (h) the promotion of micro CHP.
- (2) Every energy conservation authority shall take all steps as are reasonably practicable to implement the measures set out in any energy conservation report prepared pursuant to section 2 of the Home Energy Conservation Act 1995, and where any measures set out in any energy conservation report have been modified by a further report, the measures referred to in this paragraph are the measures modified. 40
- (3) The appropriate authority may, after consulting with representatives of local government, from time to time set targets for the level of improvement in 45

energy efficiency in residential accommodation to be achieved by energy conservation authorities by 2010.

- (4) The appropriate authority may include different targets for different authorities.
- (5) It shall be the duty of every conservation authority to implement measures in order to achieve the targets. 5
- (6) The appropriate authority may set targets for the achievement of energy conservation improvements for any dates after 2010.

3 Amendments of the Electricity Act 1989

- (1) Section 32 of the Electricity Act 1989 (c. 29) is amended as follows. 10
- (2) At the end of subsection (2) there shall be inserted –
 - “under subsection (2A) below or otherwise.
 - (2A) Supply of electricity from a generating station for the purpose of producing heating or a cooling effect in association with electricity shall be an excluded category of supply, provided that this subsection shall not apply to a generating station fuelled by the combustion of municipal solid waste.” 15
- (3) In subsection (8), after “Energy Act 1976”, there shall be inserted “unless utilised in a generation station covered by section 41A(9) of this Act”.
- (4) In subsection (8), after the second use of the words “fossil fuel” in the paragraph defining renewable resources, there shall be inserted “including generating stations covered by section 41A(9) of this Act”. 20

4 Amendments of the Utilities Act 2000

After section 16 of the Utilities Act 2000 (c. 27) there shall be inserted –

- “16A Sustainable energy”** 25
- (1) It shall be the duty of the Gas and Electricity Markets Authority in discharging its functions under the 1986 Act and the 1989 Act –
 - (a) to have regard to achievement of the sustainable energy policy;
 - (b) to publish an environmental impact assessment before implementing any important proposals; and 30
 - (c) to take into account any objections to those proposals before implementing them.
 - (2) For the purposes of this section a proposal is important if it has a significant impact on the general public in the United Kingdom or in part of the United Kingdom.” 35

5 Gas and Electricity Markets Authority

The amounts paid to the Gas and Electricity Markets Authority (“the Authority”) under section 33(5A) of the Electricity Act 1989, as it continues to have effect pursuant to article 11(1) of the Electricity from Non-Fossil Fuel Sources Saving Arrangements Order 2000 (SI, 1990/2727), shall be paid by the 40

Authority as the appropriate authority shall direct to beneficiaries of schemes established by the Secretary of State to promote sustainable energy.

6 Amendment of the Home Energy Conservation Act 1995

- (1) The Home Energy Conservation Act 1995 (c. 10) shall be amended as follows.
 (2) After section 5 there shall be inserted –

“5A Fuel poverty

An energy conservation authority in England and Wales shall, so far as reasonably practicable, perform its functions under this Act in a way which, in the opinion of the authority, will contribute to achieving the objectives for the time being specified under, or mentioned in, section 2(2) of the Warm Homes and Energy Conservation Act 2000 (c. 31) by the dates so specified.”

7 Money

Expenditure by the Secretary of State in consequence of this Act shall be paid out of money provided by Parliament.

8 Interpretation, citation and extent

- (1) In this Act –
 “energy conservation authority” has the same meaning as in the Home Energy Conservation Act 1995;
 “environmental impact assessment” means an assessment of the impact of any policy or measure on the environment;
 “regulatory impact assessment” means an assessment of the impact of any regulations on the environment and on the development of a sustainable energy policy; and
 “sustainable energy policy” means measures which reduce emissions of carbon and methane and promote reductions in the use of energy, and, for the avoidance of doubt, does not include nuclear power, and the term “sustainable energy” shall be construed accordingly.
- (2) In this Act, “the appropriate authority” is –
 (a) in relation to sections 1 and 5, the Secretary of State; and
 (b) in relation to section 2, the Secretary of State as regards England and the National Assembly for Wales as regards Wales.
- (3) This Act may be cited as the Sustainable Energy Act 2003.
- (4) Sections 1, 3, 4 and 5 and this section extend to Scotland and Northern Ireland.
- (5) Sections 2 and 7 extend to England and Wales only.

Sustainable Energy Bill

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