

# Local Electricity Bill

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TO

Enable electricity generators to become local electricity suppliers; and for connected purposes.

### **1 Purpose**

The purpose of this Act is to encourage and enable the local supply of electricity.

### **2 Local electricity suppliers**

- (1) An electricity generator may be a local electricity supplier.
- (2) In this section “electricity generator” has the same meaning as in section 6 of the Electricity Act 1989.
- (3) A local supplier must –
  - (a) hold a local electricity supply licence, and
  - (b) adhere to the conditions of that local electricity supply licence.

### **3 Amendment of the Electricity Act 1989**

- (1) The Electricity Act 1989 is amended as follows.
- (2) In section 6 (licences authorising supply, etc.), after subsection (1)(d), insert –
  - “(da) a licence authorising a person to supply electricity to premises within a designated local area (“a local electricity supply licence”);
- (3) After section 6 insert –

#### **“6ZA Local electricity supply licences**

- (1) Subject to it exercising its other functions under this Act the Gas and Electricity Markets Authority (“the Authority”) may grant a local electricity supply licence to a person who meets local electricity supply licence conditions.
- (2) The Authority must set local electricity supply licence conditions.

- (3) The Authority must specify the designated local area for each local electricity supply licence.
- (4) Before making any specification under subsection (3) the Authority must consult –
  - (a) any relevant local authority;
  - (b) any existing local electricity suppliers;
  - (c) any persons who have, to the knowledge of the Authority, expressed an interest in becoming local electricity suppliers;
  - (d) any other person who, in its opinion, has an interest in that matter.
- (5) The Authority may specify different designated local areas and different local electricity supply licence conditions for different local supply licences.
- (6) It is a duty of the Authority to ensure that –
  - (a) any fees or other costs of an application for a local electricity supply licence are in its view proportionate to the size of the applicant’s business, and
  - (b) the conditions of the local supply licence are as simple and straightforward as is consistent with the Authority fulfilling its principal objective and general duties under section 3A.”

#### **4 Short title, commencement and extent**

- (1) This Act may be cited as the Local Electricity Act 2020.
- (2) This Act (other than this section) comes into force on such day as the Secretary of State may by regulations appoint.
- (3) The power to make regulations under this section is exercisable by statutory instrument.
- (4) The Secretary of State may not make regulations under this section which apply to Scotland without first consulting the Scottish Ministers.
- (5) The Secretary of State may not make regulations under this section which apply to Wales without first consulting the Welsh Government.
- (6) This Act extends to England and Wales, and Scotland.

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