

**EXEMPTION FROM THE  
REQUIREMENT FOR A LICENCE TO  
SUPPLY ELECTRICITY: PROPOSAL  
TO MAKE THE ELECTRICITY  
(EXEMPTION FROM THE  
REQUIREMENT FOR A SUPPLY  
LICENCE) (MVV ENVIRONMENT  
DEVONPORT LIMITED) (ENGLAND  
AND WALES) ORDER 2012**

19 March 2012



## EXEMPTION FROM THE REQUIREMENT FOR A LICENCE TO SUPPLY ELECTRICITY: PROPOSAL TO MAKE THE ELECTRICITY (EXEMPTION FROM THE REQUIREMENT FOR A SUPPLY LICENCE) (MVV ENVIRONMENT DEVONPORT LIMITED) (ENGLAND AND WALES) ORDER 2012

The Secretary of State, pursuant to section 5(2) and (3) of the Electricity Act 1989 (“the Act”) as amended by the Utilities Act 2000, hereby gives notice that he proposes to make an order under section 5(1) of the Act granting exemption from section 4(1)(c) of the Act to:

MVV Environment Devonport Limited, for a supply of electricity to The Ministry of Defence at Her Majesty’s Naval Base Devonport premises in Plymouth.

The Secretary of State’s reasons for making such an order on the terms proposed are set out in the attached document entitled “Exemption from the requirement for a licence to generate electricity: proposal to make The Electricity (Exemption from the Requirement for a Supply Licence) ( MVV Environment Davenport Limited) (England and Wales) Order 2012 (“the Document”). The terms of the proposed draft Order (which, subject to representations, is in substantially final form) are set out in the Appendix to the Document.

Representations may be made with respect to the proposal in the Document by 16 April 2012 to:-

*Chris Chown, Energy Market Framework, Department of Energy and Climate Change, Fourth Floor, 3 Whitehall Place, London SW1A 2HD (telephone: 0300 068 6085; e-mail: [chris.chown@decc.gsi.gov.uk](mailto:chris.chown@decc.gsi.gov.uk))*

Phil Hicken

An official of the Department for Energy and Climate Change authorised to act on behalf of the Secretary of State

19 March 2012

## **EXEMPTION FROM THE REQUIREMENT FOR A LICENCE TO SUPPLY ELECTRICITY: PROPOSAL TO MAKE THE ELECTRICITY (EXEMPTION FROM THE REQUIREMENT FOR A SUPPLY LICENCE) (MVV ENVIRONMENT DEVONPORT LIMITED) (ENGLAND AND WALES) ORDER 2012**

1. The Secretary of State proposes to make an Order under section 5(1) of the Electricity Act 1989 (“the Electricity Act”), as amended by the Utilities Act 2000, granting exemption from the requirement to hold a supply licence to:

MVV Environment Devonport Limited for a supply of electricity to The Ministry of Defence at Her Majesty’s Naval Base Devonport premises in Plymouth.

2. The Secretary of State proposes to make the Order subject to the conditions specified in the attached draft Order and in paragraph 8 below, and to the views of consultees. This document explains why the Secretary of State proposes to make such an Order.

4. Section 4(1)(c) of the Electricity Act makes it an offence for a person to supply electricity to any premises unless he is authorised to do so by a licence or exemption. Section 5(1) of the Electricity Act provides that the Secretary of State may, by order, grant exemption from section 4(1)(c). Section 5(2) of the Electricity Act sets out the procedure for making such an order.

5. On 1 October 2001, the Electricity (Class Exemptions from the Requirement for a Licence) Order 2001 (“the Class Exemptions Order”) came into force<sup>1</sup>. Among other things, the Class Exemptions Order provided exemption for various classes of electricity supply, including the resale of electricity provided by a licensed supplier ( Class B(1)(a)(i)) This exemption applies only to electricity supplied from the premises of the exempt supplier.

### **REASONS**

6. Following initial informal consultation with interested parties, the Secretary of State has concluded that exemption should be given.

7. MVV Devonport has a contractual commitment to supply up to 1 MW of electricity to The Ministry of Defence at Her Majesty’s Naval Base (HMNB) Devonport premises in Plymouth. It will supply electricity purchased from a

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<sup>1</sup> S.I. 2001/3270

licensed supplier. This arrangement arises from MVV Devonport's ownership of a Grid connection agreement to facilitate the electricity requirements of its construction of an energy from waste plant on the HMNB premises. As such, it will be a time limited arrangement which does not impact significantly on any other parties or on the electricity system as a whole and it would be disproportionate to expect MVV Devonport to meet the costs of obtaining an electricity supply licence and the obligations that would accrue. The Secretary of State has therefore taken the view that it would not be appropriate to require MVV Devonport Limited to obtain an electricity supply licence. He therefore proposes to make the exemption, with conditions.

## **CONDITIONS**

8. The conditions of granting the exemption are:

- That exemption is time limited and expires on 1 January 2016.

## **REPRESENTATIONS AND TIMETABLE**

9. Representations on the issues raised in this document and the proposal are invited by 16 April 2012 and should be made to:

Chris Chown, Energy Market Framework, Department of Energy and Climate Change, Fourth Floor, 3 Whitehall Place, London SW1A 2HD (telephone: 0300 068 6085; e-mail: [chris.chown@decc.gsi.gov.uk](mailto:chris.chown@decc.gsi.gov.uk))

## **REGULATORY IMPACT ASSESSMENT**

10. The Government produced a Regulatory Impact Assessment in respect of the Class Exemptions Order in October 2001. The assessment may be viewed at:

[http://www.decc.gov.uk/en/content/cms/meeting\\_energy/markets/electricity/licence\\_exemp/licence\\_exemp.aspx](http://www.decc.gov.uk/en/content/cms/meeting_energy/markets/electricity/licence_exemp/licence_exemp.aspx)

or obtained from: Chris Chown, Energy Market Framework, Department of Energy and Climate Change, Fourth Floor, 3 Whitehall Place, London SW1A 2HD (telephone: 0300 068 6085; e-mail: [chris.chown@decc.gsi.gov.uk](mailto:chris.chown@decc.gsi.gov.uk)).

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**D R A F T   S T A T U T O R Y   I N S T R U M E N T S**


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2012 No. [...]

**ELECTRICITY, ENGLAND AND WALES**

The Electricity (Exemption from the Requirement for a Supply Licence) (MVV Environment Devonport Limited) (England and Wales) Order 2012

<i>Made</i>	- - - -	***
<i>Laid before Parliament</i>		***
<i>Coming into force</i>	-	- ***

The Secretary of State makes the following Order in exercise of the powers conferred by section 5 of the Electricity Act 1989<sup>(2)</sup>.

In accordance with section 5(2) and (3) of that Act the Secretary of State has given notice of the proposal to make this Order.

**Citation, commencement and extent**

**1.**—(1) This Order may be cited as the Electricity (Exemption from the Requirement for a Supply Licence) (MVV Environment Devonport Limited) (England and Wales) Order 2012 and comes into force on [.....].

(2) This Order extends to England and Wales only.

**Interpretation**

**2.** In this Order—

“the Act” means the Electricity Act 1989;

“Her Majesty’s Royal Naval Base Devonport” means the naval base premises located at Ordnance Survey map reference SX447574, approximately 3 kilometres East of Saltash, in Plymouth;

“MVV Environment Devonport Limited” means the company of that name registered in England and Wales with number 7412959;

**Exemption from section 4(1)(c) of the Act**

**3.**—(1) Subject to paragraph (2), exemption from section 4(1)(c) of the Act (prohibition on unlicensed supply of electricity to any premises) is granted to MVV Environment Devonport Limited in respect of the Her Majesty’s Royal Naval Base Devonport.

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<sup>(2)</sup> 1989 c.29; section 5 was substituted by section 29 of the Utilities Act 2000 (c.27).

(2) The exemption granted by paragraph (1) is subject to compliance with the condition that MVV Environment Devonport Limited does not hold any licence under section 6(1)(d) of the Act (a supply licence), and is granted for a period of \*\*\* ending on 1<sup>st</sup> January 2016.

[Signatory text

	<i>Name</i>
Address	Parliamentary Under Secretary of State
Date	Department]

**EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order grants exemption from the requirements of section 4(1)(c) of the Electricity Act 1989 (which prohibits the supply of electricity to any premises without a licence) to MVV Environment Devonport Limited in relation to Her Majesty's Royal Naval Base in Plymouth.

A regulatory impact assessment in respect of exemptions from the requirements of section 4(1)(a) of the Electricity Act 1989 was prepared in 2001 and can be obtained from the Department of Energy and Climate Change, Energy Markets Unit, 4<sup>th</sup> Floor, 3 Whitehall Place, London, SW1A 2AW. Copies have been placed in the libraries of both Houses of Parliament.

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[www.decc.gov.uk](http://www.decc.gov.uk)

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