EXPLANATORY MEMORANDUM TO

THE ELECTRICITY (INDIVIDUAL EXEMPTION FROM THE REQUIREMENT FOR A GENERATION LICENCE) (RIVERSIDE ENERGY PARK) (ENGLAND) ORDER 2025

2025 No. 1001

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Energy Security and Net Zero and is laid before Parliament by Command of His Majesty.

2. Declaration

2.1 Ed Miliband, The Secretary of State at the Department for Energy Security and Net Zero has delegated decisions on supply licence exemptions to Minister Shanks, Minister for Energy. Minister of State Shanks confirms that this Explanatory Memorandum meets the required standard.

2.2 Thomas Corker, Deputy Director for Retail Energy Markets and Consumers at the Department for Energy Security and Net Zero confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Chris Chown at the Department for Energy Security and Net Zero. Direct line telephone number: 07471358024 or email: chris.chown@energysecurity.gov.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 The legislation will grant an exemption from the requirement to hold an electricity generation licence to Riverside Energy Park Limited in respect of the Riverside 2 energy from waste generating facility in Belvedere, London.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales and Scotland.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England.

5. Policy Context

What is being done and why?

5.1 Riverside Energy Park Limited has made an individual application for exemption from the requirement to hold an electricity generation licence in respect of the Riverside 2 energy from waste generating facility.

5.2 As outlined in the Act (in particular section 3A), the principal objective of the Secretary of State in carrying out relevant functions under the Act is to protect the

interests of existing and future consumers in relation to electricity conveyed by distribution systems or transmission systems (including their interests in the reduction of emissions of targeted green-house gases), wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity.

5.3 In delivering the principal objective, the Secretary of State should have regard to, among other things, the need to ensure security of supply and the need to contribute to the achievement of sustainable development. In addition, the Secretary of State's regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed.

5.4 The Department's exemptions policy is set out in the Electricity Generation, Distribution and Supply Licence Exemptions - Frequently Asked Questions document.[1] Under the exemptions policy, applications for individual exemption regarding stations conducting generation activities of above 50 megawatts and up to 100 megawatts capacity may be considered for exemption because plant of less than 100 megawatt capacity will generally have a low impact on the total electricity system and it is generally considered appropriate that such stations be exempted from the same degree of system regulation (and costs) as is imposed by standard licensing conditions. In determining applications, the Secretary of State takes account of the impact of the exemption on the safe and secure operation of the electricity system, and the interests of consumers, and why it would be disproportionate for the applicant to meet the costs and obligations of a licence.

5.5 The impact that the Riverside 2 facility will have on the system is low, and it would be appropriate to grant an individual exemption from the requirement to hold a generation licence, subject to standard conditions (set out in article 4 of the instrument).

What was the previous policy, how is this different?

5.6 Section 4(1)(a) of the Electricity Act 1989 ("the Act") makes it an offence for a person to generate electricity for the purpose of giving a supply to any premises or enabling a supply to be so given unless authorised to do so by licence. Section 5(1) of the Act provides that the Secretary of State may, by order, grant exemption from section 4(1)(a) either to a person or to persons of a class.

6. Legislative and Legal Context

How has the law changed?

6.1 This Order grants an exemption in respect of Riverside Energy Park Limited from the requirement to hold a generation licence.

Why was this approach taken to change the law?

6.2 This is the only way to grant a generation licence exemption.

[1] https://www.gov.uk/guidance/electricity-licence-exemptions

7. Consultation

Summary of consultation outcome and methodology

7.1 In accordance with Section 5(2) of the Act, a notice was published on gov.uk on 9 July 2025 setting out the proposal to make the instrument and closed on 6 August 2025. It received zero responses from the public.

8. Applicable Guidance

8.1 Guidance on licence exemptions exists is set out in the Electricity Generation, Distribution and Supply Licence Exemptions - Frequently Asked Questions document.[2]

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been produced for this Statutory Instrument because the impacts are estimated to be below the de minimis threshold.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies because the instrument relates solely to Riverside Energy Park Limited.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant, impact on the public sector because the instrument relates solely to Riverside Energy Park Limited.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is that under Section 8 of the Electricity Act 1989 the Secretary of State may revoke exemption 'if it appears to the Secretary of State inappropriate that the exemption should continue to have effect'.

10.2 The instrument does not include a statutory review clause.

[2] https://www.gov.uk/guidance/electricity-licence-exemptions

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").