EXPLANATORY MEMORANDUM TO

THE INDEPENDENT SYSTEM OPERATOR AND PLANNER TRANSFER SCHEME COMPENSATION (AMENDMENT) REGULATIONS 2024

2024 No. 134

1. Introduction

1.1 This explanatory memorandum has been prepared by Department for Energy Security & Net Zero and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 This instrument amends the Independent System Operator and Planner Transfer Scheme Compensation Regulations 2024 (S.I 2024/125) (the "Compensation Regulations"), to correct an error in the commencement provision of the Compensation Regulations.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 This instrument makes provision to correct an error in the commencement regulation of the Compensation Regulations. This instrument will therefore come into force before the Compensation Regulations, in order to effect this change and enable the Compensation Regulations to come into force.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is England and Wales, and Scotland only.

4.2 The territorial application of this instrument is England and Wales, and Scotland only.

5. European Convention on Human Rights

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

6. Legislative Context

6.1 This instrument corrects an error in the commencement provision of the Compensation Regulations.

7. Policy background

What is being done and why?

7.1 The Energy Act 2023 ("the Act") provides the legislative framework to enable the establishment and designation of the Independent System Operator and Planner ("ISOP") as a public body. The Act provides the power to make one or more transfer schemes to establish the ISOP. The Compensation Regulations establish a legal framework to be followed to determine the appropriate compensation payable to entities

whose property, rights and liabilities are to be transferred, in the event that compensation cannot be agreed between the parties.

7.2 This instrument corrects an error in the commencement provision of the Compensation Regulations to ensure that those regulations come into force.

8. European Union Withdrawal and Future Relationship

8.1 This instrument does not relate to withdrawal from the European Union or trigger the statement requirements under the European Union (Withdrawal) Act 2018.

9. Consolidation

9.1 No consolidation is necessary for this instrument.

10. Consultation outcome

10.1 There is no requirement to formally consult on the content of the Compensation Regulations or this instrument. Nonetheless, the Department of Energy Security and Net Zero have undertaken engagement with National Grid who are expected to be the main impacted stakeholder by the Compensation Regulations to support understanding of the policy and process established by the Compensation Regulations.

11. Guidance

11.1 Guidance is not required for this instrument.

12. Impact

12.1 There is no, or no significant impact on charities or voluntary bodies. The impact on business will be through exercise of the transfer scheme power under the Energy Act 2023.

12.2 There is no, or no significant impact on the public sector.

12.3 A full Impact Assessment has not been prepared to accompany this instrument as no, or no significant impact on the private, voluntary or public sectors is foreseen. This instrument amends an error in the Compensation Regulations to ensure those Regulations come into force. The instrument does not regulate any ongoing business activity.

13. Regulating small business

13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

14.1 The Compensation Regulations and this instrument do not include a statutory review clause as there is no wider impact on business.

15. Contact

15.1 George Berry at the Department for Energy Security & Net Zero email: george.berry@energysecurity.gov.uk can be contacted with any queries regarding this instrument.

15.2 Teresa Camey, Deputy Director for Future System Governance at the Department for Energy Security & Net Zero, can confirm that this Explanatory Memorandum meets the required standard.

15.3 Graham Stuart, Minister at the Department for Energy Security & Net Zero, can confirm that this Explanatory Memorandum meets the required standard.