

UK Energy Act 2008

11th March 2009

Aimed towards developing a low carbon infrastructure and in keeping with the UK's shift towards greater sustainable development, heightened governance and accountability, the [UK Energy Act](#) was passed in November 2008. The Act addresses some of the urgent and major issues involving climate change, UK energy supply, and waste management. It includes legislative provisions required to implement UK energy policy and meet the UK's energy challenge. The Act follows the publication of the Energy Review 2006 and the Energy White Paper 2007.

The purpose of the Energy Act

The purpose of the Energy Act is to drive the UK's long-term clean energy policy, tackle future energy challenges and offer long-term solutions and strategies to tackling climate change. The Energy Act was passed in order to determine our country's energy and vehicle efficiency. It covers a wide range of key issues, which include the following:

- Offshore gas supply infrastructure: Includes proposals for strengthening the regulatory framework.
- Carbon Capture and Storage: The creation of a regulatory framework to enable private sector investment in Carbon Capture and Storage (CCS) projects.
- Renewables: Strengthens the [Renewables Obligation](#) to drive greater and more rapid deployment of renewables in the UK
- Regulations covering decommissioning of old offshore oil and gas installations, to minimise the risk of liabilities falling to the Government
- Improves the offshore oil and gas licensing regime in response to changes in the commercial environment and enable the Department for Business Enterprise and Regulatory Reform to carry out its regulatory functions more effectively
- Nuclear waste and decommissioning financing: Ensures the operators of new nuclear power stations accumulate funds to meet the full costs of decommissioning and their full share of waste management costs
- Introduces amending powers such that Ofgem is able to run the offshore electricity transmission licensing regime more effectively.

Implication for future

The Energy Act 2008 contains a number of very important provisions for future energy. For these to have an impact, Governmental statutory instruments are required. As a result, most may not commence until years to come. However, there has been progress on the provisions concerning banding of the [Renewables Obligation](#) and [smart meters](#), suggesting an almost immediate impact. Over the longer-term, the Energy Act favours Research and Development (R&D) into renewable energy; this could potentially strengthen the renewables obligation and help to speed up the deployment of an even greater share of energy from renewable sources, with offshore wind, wave, tidal and also nuclear power gaining hugely. It is a step in the right direction to cleaning up fossil fuel usage, reducing carbon dioxide emissions, and ultimately ensuring the UK prioritises secure, clean and affordable energy.