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By Nicole Watson

The Energy Bill and households: FAQs

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1

Summary

The [Energy Bill \[HL\] 2022-23](#) has passed the third reading in the Commons, and Lords amendments will be considered in the Commons on 18 October 2023.

The Bill includes clauses relating to energy efficiency in buildings, smart meters and hydrogen heating. The Government's [Energy Security Bill overarching factsheet](#) explains that the aim of the Bill is to provide a cleaner, more affordable, and more secure energy system.

However, concerns have been raised recently that the Bill would create new criminal offences and penalties and that technologies could be installed in homes by force.

This briefing answers some frequently asked questions (FAQs) about what the Energy Bill would do if it became an Act in its current form.

More detailed background on the Bill, including analysis of clauses and amendments made during its passage through Parliament, can be found in the following Library briefings:

- [Energy Bill \[HL\] 2022-23: Overview](#) provides an overview of the Bill as brought from the Lords, general policy background and stakeholder reaction.
- [Energy Bill \[HL\] 2022-23, parts 1, 2 & 3: carbon storage, hydrogen, and new technologies](#) covers parts 1 to 3 of the Energy Bill, including carbon dioxide usage, transport and storage, hydrogen production, the hydrogen village trial and new technologies.
- [Energy Bill \[HL\] 2022-23, parts 4-6: Electricity and gas markets](#) covers parts 4-6 of the Bill, including the Independent System Operator and Planner, governance of gas and electricity industry governance codes, multi-purpose interconnectors, electricity storage and smart meters.
- [Energy Bill \[HL\] 2022-23, parts 7-10: heat networks, smart appliances, load control and energy performance of buildings](#) covers parts 7-10 of the Bill, including heat networks, energy smart appliances and load control, energy performance of buildings and Energy Savings Opportunity Schemes.
- [Energy Bill \[HL\] 2022-23: Parts 11 and 12 – Offshore wind, oil and gas](#) covers parts 11-12 of the Bill, including core fuel sector resilience, offshore wind electricity generation and oil and gas.
- [Energy Bill \[HL\] 2022-23, part 13: Provisions on civil nuclear regulation](#) covers part 13 and sections of part 3 that relate to nuclear regulation, including geological disposal facilities for radioactive waste, nuclear sites where the risk of radiation is low and allowing the UK to join a UN convention on providing compensation to victims of nuclear incidents.
- [Energy Bill \[HL\] 2022-23 Committee stage report](#) covers changes made to the Bill at Public Bill Committee stage.

2 Does the Energy Bill mean I could be fined or sent to prison if I don't improve the energy efficiency of my home?

No. There are no existing penalties for failing to meet specific energy performance targets or installing technologies, such as heat pumps. The Energy Bill itself would not create any new criminal offences or penalties, although it would allow the Government to do so via separate legislation.

The Bill would allow the Government to create new civil penalties and criminal offences relating to energy performance through regulations. In other words, the Government would need to introduce [secondary legislation](#) (also known as a statutory instrument), which would need to be approved by Parliament, separately to the Bill, before it could become law.

The Government has said that it doesn't intend to amend or extend criminal offences and that it would consult before introducing new regulations.

2.1 What are the current regulations?

The Energy Performance of Buildings (EPB) Regulations require [Energy Performance Certificates](#) (EPCs) to be produced when a residential or commercial property is built, let or sold. A landlord or seller must display the EPC when marketing a property and must make it available to any prospective buyer or tenant.

Energy Performance Certificates

The existing regulations set out when EPCs are required (trigger points), how long they are valid for, the buildings within scope of EPC requirements, and details on the information and recommendations that EPCs must include. They also set out the role of the energy assessors that undertake calculations to create EPCs, as well as specifying that the assessment method must be approved by the Secretary of State.

Penalties for non-compliance

The current EPB Regulations allow penalties for non-compliance. Enforcement authorities can impose penalty charge notices of:

- £200 for a dwelling
- Between £500 and £5000 for other building types.

Pages 17 to 18 of the [EPC guidance for dwellings](#) (PDF) set out the circumstances under which a penalty charge can be imposed on sellers or landlords. They include:

- not making a valid EPC available for free to prospective buyers/tenants
- not commissioning an EPC for a property before putting it on the market
- not including energy performance information in adverts for sale/rental

The [EPC guidance for non-dwellings](#) (PDF) sets out requirements for other building types.

The existing EPB regulations also contain three criminal offences. These relate to 1) inappropriate disclosure of data; 2) obstructing an enforcement official; and 3) impersonating an enforcement official.¹

These penalties and criminal offences can only apply when selling or renting a property; they cannot apply to homeowners or tenants living in the property.

2.2

What would the Energy Bill change?

The Bill would allow the Government to replicate or amend existing requirements via [secondary legislation \(statutory instruments\)](#), following the UK's exit from the EU.² It would also make it possible for the Government to create, through separate legislation, higher penalties for landlords and sellers.

The current EPB regime is governed by the [Energy Performance of Buildings Regulations 2012](#), which comes from EU law. Following the UK's departure from the EU, the Government said it would need [new powers to make changes to the existing EPB regime](#).

What powers would the Government have to change the penalties?

Clauses 246 to 248 of the Bill “will enable the Secretary of State to amend, revoke or replace the existing energy performance of premises regime, which derives from EU law”.³ Regulations made under these new powers would apply to England and Wales.

¹ See [The Energy Performance of Buildings \(England and Wales\) Regulations 2012, SI 2012/3118](#) Part 6 (29) and Part 7 (43)

² Department for Business, Energy and Industrial Strategy (BEIS), [Energy Bill Policy Statement Energy Performance of Premises](#) (PDF) December 2022

³ [Explanatory notes: Energy Bill \[HL\]](#) (PDF) para 494

Clause 248 of the Bill deals with the enforcement of EPB regulations. It would give the Government the power to replicate the existing penalties (derived from EU law) and offences into the new regulations. However, any new offences or civil penalties would have to be approved by Parliament before becoming law.

Ministers would be able to set the level of penalties (subject to Parliament's approval), but the Bill sets the maximum penalties a minister could set:

- For civil penalties, a fine of up to £15,000.
- For criminal offences, up to one year imprisonment or a maximum fine [up to level 5 on the standard scale](#).

The maximum penalties allowed by the Bill would be higher than under the current regulations.

However, the [Government has said that it would consult before making any changes](#) and that it doesn't plan to change criminal offences:

The EPB Regulations set criminal offences relating to obstructing an enforcement officer, impersonating an enforcement officer and unauthorised disclosure of data from an energy performance register. There is no intention to amend or extend any criminal offences in the Regulations and any such amendments would have to be approved by Parliament under the affirmative procedure.⁴

A Minister also confirmed this in a [debate on the Bill on 5 September 2023](#).

The government has said it is considering amendments to civil penalties that are “proportionate and reflective of the changes to the EPB regime since 2007”⁵. However, these changes would be subject to consultation and would have to be approved by Parliament.

The Bill specifies that any new penalties must provide for the right of appeal and “the [affirmative procedure](#) will be used for any new civil penalties or new criminal offences and in respect of any regulations which amend primary legislation”.⁶ This means any new offences or civil penalties would have to be approved by Parliament before becoming law.

The Library Briefing [Energy Bill \[HL\] 2022-23, parts 7-10: heat networks, smart appliances, load control and energy performance of buildings](#) provides further detail on provisions relating to energy performance of buildings regulations.

⁴ BEIS, [Energy Bill Policy Statement Energy Performance of Premises](#) (PDF) December 2022

⁵ BEIS, [Energy Bill Policy Statement Energy Performance of Premises](#) (PDF) December 2022

⁶ [Delegated Powers Memorandum - Energy Bill](#) July 2022, PDF, page 144

3 Does the Energy Bill mean I could be forced to have a smart meter installed?

No. There are no provisions in the Bill that would allow anyone to enter a property by force to install a smart meter. Consumers will continue to have the right to refuse a smart meter installation.

The clauses in the Energy Bill relating to smart metering extend the timeframe during which existing powers can be used and do not change the nature of existing powers.

Part 9 of the Bill, which relates to energy smart appliances, mentions “conferring powers of entry, including by reasonable force”. However, this does not relate to smart meter installation. More detail on powers of entry is provided in section 5.

3.1 What are the current rules for smart metering?

The Secretary of State for Energy Security and Net Zero has powers to modify energy licence conditions and industry codes to enable the rollout of smart meters. These powers are currently due to expire on 1 November 2023.⁷

The Library briefing [Energy Smart Meters](#) (2019) provides background information on the smart-meter roll-out.

Targets for energy suppliers

Energy suppliers used to be obligated as a condition of their supply license to take “all reasonable steps” to ensure that a smart meter was installed at all of their domestic and small non-domestic premises by 31 December 2021. This obligation has now been replaced with a new target framework, which sets specific targets for energy suppliers.

The Government introduced a new target framework for smart metering on 1 January 2022, which runs for four years to 31 December 2025. It was introduced to drive progress in smart meter installations towards an eventual goal of 100% coverage. These targets are subject to agreed tolerances and are calculated separately for domestic and non-domestic buildings.⁸ The

⁷ BEIS, Department for Energy Security and Net Zero (DESNZ), [Energy Security Bill factsheet: Smart metering](#). Updated 6 June 2023

⁸ BEIS, DESNZ, [Smart Meter Targets Framework: minimum installation requirements for Year 3 \(2024\) and Year 4 \(2025\)](#), 7 February 2023

tolerance levels give suppliers leeway, for example to account for difficulties in installing smart meters.

Under the new framework, every energy supplier is given a binding target for installing smart meters, which is set in their licence, with a minimum installation requirement for each year of the new framework. Failure to achieve the annual installation targets will be a breach of a supplier's licence and Ofgem can take enforcement action against the supplier.⁹ Under the current target framework, 74.1% of meters are expected to be smart meters by the end of 2025.¹⁰

The New and Replacement Obligation is also still in place. This obligation requires energy suppliers to take all reasonable steps to install a compliant smart meter wherever a meter is replaced or where a meter is installed for the first time (such as in a new premise).¹¹

Consumer choice

Consumers have the right to refuse a smart meter. However, there may be cases where a traditional meter is not available. As [stated by the Energy Ombudsman](#):

As the energy industry moves towards a smart and flexible system, manufacturers are less likely to produce traditional meters. This means energy suppliers may not have any traditional meters in stock. While it is your right to refuse the installation of a smart meter, if your traditional meter needs to be replaced due to safety concerns or it becomes faulty, there may be limited options available. It may be possible in exceptional circumstances to install a smart meter with the smart functionality turned off, so that it works just as a traditional meter would. Contact your supplier to check what is possible.¹²

There are also certain tariffs that are only available to smart meter customers, including some of the cheapest tariffs on the market.

There are no plans to remove consumer choice. In its response to [a consultation on the smart meter policy framework post 2020](#), the Government stated:

Forcing consumers to accept a smart meter may negatively affect the consumer journey and lead to these benefits not being realised [...] we will only consider removing consumer choice in very specific circumstances and where it is justified following consultation. For example, we intend to bring forward proposals to remove consumer choice where energy theft has taken place.¹³

⁹ Ofgem, [Smart Meter Rollout: Energy suppliers Rollout Delivery Open Letter April 2023](#), 17 April 2023

¹⁰ BEIS, DESNZ, [Smart Meter Targets Framework: minimum installation requirements for Year 3 \(2024\) and Year 4 \(2025\)](#), 7 February 2023

¹¹ Ofgem, [Smart Meter Rollout: Energy suppliers Rollout Delivery Open Letter April 2023](#), 17 April 2023

¹² Energy Ombudsman [Information about Smart Meters FAQs](#) (accessed 27 September 2023)

¹³ BEIS [Smart meter policy framework post 2020](#), updated 18 June 2020

The consultation response also stated that the Government may consider other measures in the future, once energy suppliers have “made sustained progress in improving operational performance and delivering consistent consumer journeys”.¹⁴ This may include mandating smart meter installations for replacement connections when a meter reaches the end of its operational lifetime.

Citizens Advice provides [further information about consumer rights](#) when getting a smart meter installed. Smart Energy GB provides [additional guidance on smart meters](#).

3.2 What would the Energy Bill change?

Clause 212 of the Bill would amend the [Gas Act 1986](#), the [Electricity Act 1989](#) and the [Energy Act 2008](#) to extend the time limit that the Secretary of State can use existing smart metering licensing powers under these acts, from 1 November 2023 to 1 November 2028.

The Energy Bill’s [Delegated Powers Memorandum](#) (PDF) explained that the clause just extends the time limit and that existing restrictions would still apply to how powers are used:

This clause does not change the nature of the existing power. It only seeks to extend the period during which the existing power can be exercised, and section 88(2) of the [Energy Act 2008](#) will continue to limit the purposes for which the power may be exercised in the way it does now.¹⁵

The Library briefing [Energy Bill \[HL\] 2022-23, parts 4-6: Electricity and gas markets](#) covers provisions relating to smart metering in further detail.

¹⁴ BEIS [Smart meter policy framework post 2020](#), updated 18 June 2020

¹⁵ BEIS, [Delegated powers memorandum – Energy Bill](#), 7 July 2022

4 Can the Government or others use energy smart appliances to control the supply of energy into my home?

Energy smart appliances can be switched on or off remotely but only if the consumer gives consent. Consumers do not have to allow their appliances to be controlled remotely and the Bill wouldn't change this. The Energy Bill would increase regulation of energy smart appliances.

An energy smart appliance (ESA) is an appliance, such as an electric vehicle charging point or a heat pump, that is capable of increasing or reducing its electricity demand in response to signals received remotely from a third party (rather than manually by the consumer). These third parties are called 'load controllers'.

The Energy Bill would increase:

- The regulation of ESAs (such as requirements for cyber security and data privacy).
- The regulation of organisations who control smart appliances (load controllers) through licensing.

Energy suppliers can switch off energy supply remotely through a smart meter, but there are [strict rules about when they are allowed to do this](#). The same consumer protections apply to those with smart meters and traditional meters. Suppliers cannot disconnect any customers without first taking all reasonable steps to help them repay their debts and are [not allowed to cut off supply for certain vulnerable consumers](#).

Citizens Advice provides information on [what to do if you've been told your energy supply will be disconnected](#).

4.1 Background: Load control and energy smart appliances

In the future energy system, it is likely that the energy supply will be more variable, so the demand side – how, when, and where energy is used – will also need to be flexible enough to respond to fluctuations in supply. The [National Grid Electricity Systems Operator \(ESO\)](#) is responsible for ensuring that supply and demand is balanced at all times.

Providing incentives to encourage consumers to shift their energy use is known as [demand-side response \(DSR\)](#). One way to achieve this is to make

direct payments to consumers who change their energy use as part of a DSR programme. For example, [a time-of-use tariff](#) could offer cheaper electricity at certain times of day, and the National Grid [offered payments to consumers for reducing demand](#) at particular times of day during winter 2022-23.

An ‘energy smart appliance’ (ESA) is an appliance capable of increasing or reducing its electricity demand in response to signals received remotely from a third party. ‘Load control’ is the act of sending a signal telling an ESA how much power it should draw at a given time, for example in response to wholesale energy prices or the availability of wind and solar power. Companies providing this service are referred to as ‘load controllers’.

By automatically responding to signals from load controllers without needing input from the consumer, ESAs would allow consumers to participate in DSR services more easily and receive financial awards.

The Library Briefing [Energy Bill \[HL\] 2022-23, parts 7-10: heat networks, smart appliances, load control and energy performance of buildings](#) provides further background.

4.2 What would the Energy Bill change?

Chapter 2 of Part 9 would allow the Government to create, through secondary legislation, a regulatory framework for ESAs.

Part 9 of the Bill aims to encourage the take-up of ESAs and services offered by load controllers. It would do so by:

- Giving the Government powers to introduce regulations requiring ESAs to meet requirements regarding cyber security, data privacy, interoperability, and grid stability.
- Allowing the Government to mandate that electric heating appliances and electric vehicle charge points have smart functionality.
- Requiring load controllers to hold a licence issued by Ofgem, the energy regulator.

Although there are existing powers allowing the Government to make [regulations for smart EV charge points](#), the Government stated that these new powers would “ensure that a coherent approach can be taken to regulating all ESAs”.¹⁶

The table on page 7 of the Department for Business, Energy and Industrial Strategy’s (BEIS) [policy statement on Smart Appliances and Load Control](#)

¹⁶ BEIS, [BEIS policy statement on Smart Appliances and Load Control](#) (PDF, December 2022)

(PDF, December 2022) sets out how the Government intends to use these powers.

The Bill would not require consumers to participate in DSR programmes or to allow load controllers to control their smart appliances.

The Government has stated that any secondary legislation laid under this part of the Bill will be informed by its [consultation on Delivering a Smart and Secure Electricity System](#).

The Library Briefing [Energy Bill \[HL\] 2022-23, parts 7-10: heat networks, smart appliances, load control and energy performance of buildings](#) provides further detail on the provisions in the Bill.

5 Does the Energy Bill create powers of entry to force me to install energy technologies at home?

No. There are two parts of the Bill that mention powers of entry: first, in relation to energy smart appliances (ESAs) and second, in relation to a hydrogen heating trial.

For ESAs (appliances capable of increasing or reducing electricity demand in response to signals received remotely from a third party, see above), part 9 of the Bill mentions powers of entry. However, these regulations apply to those making, supplying, importing or distributing energy smart appliances or carrying out load control.

It specifies that enforcement action of any kind cannot be taken against the end-user (such as the consumer) of an energy smart appliance. The Bill would not force anyone to have energy technologies installed.

Under existing regulations, energy companies are already allowed to enter properties if there is an emergency. Part 3 of the Bill gives the Government powers to ensure the delivery of a hydrogen grid trial whereby hydrogen would be used for home heating. The powers of entry in the Bill would allow the person running the trial to enter private properties to carry out essential works for the purposes of the trial, including safety measures and checks and to disconnect the gas supply.

The Government is considering Redcar, Teeside as a potential location for the hydrogen heating trial. A trial was proposed in Whitby, Ellesmere Port, but this is no longer going ahead.¹⁷

5.1 Background: Energy smart appliances

See section 4.1 above.

Part 9 of the [Energy Bill](#) covers regulations relating to energy smart appliances and load control (clauses 234 to 245 and schedule 19).

¹⁷ DESNZ, [Hydrogen Village Trial: open letter to Gas Distribution Networks](#) 12 July 2023

5.2 What would the Energy Bill change?

Chapter 2 of Part 9 would allow the Government to create, through secondary legislation, a regulatory framework for ESAs. The Bill states that the ESA regulations could apply to “any person making, supplying, importing or distributing energy smart appliances or carrying out load control”.

Clause 237 covers enforcement of the ESA regulations that could be created under the Bill. The clause mentions “conferring powers of entry, including by reasonable force”. However, the Bill specifies that enforcement action of any kind cannot be taken against the end-user (the consumer) of an energy smart appliance. It also specifies that entry to premises would not be permitted without a warrant issued by a relevant authority.

The Government has not yet confirmed which organisation will be designated as an enforcement authority.

Any regulations that would create new enforcement powers or civil penalties would be subject to the affirmative procedure and would need to be approved by Parliament.

5.3 Powers of entry in the Energy Bill related to the hydrogen grid trial

Part 3, chapter 2 of the Bill would give the Government powers to ensure the delivery of the planned hydrogen grid trial in terms of safety and consumer protection, as set out in the Bill’s explanatory notes:

The Government will support industry to deliver a neighbourhood trial by 2024; (preparation is underway, with the trial due to start in 2024); a village scale trial by 2025; and a potential hydrogen heated town before the end of the decade.¹⁸

Under the [Gas Act 1986](#) and [Electricity Act 1989](#), gas and electricity companies can already enter a premise at any time if there is an emergency. They can also enter to carry out repairs and maintenance and to install or inspect meters, but they must give the owner or occupier notice.

Clause 152 makes modifications to the [Gas Act 1986](#). These modifications build on the existing provisions in the Gas Act 1986, in particular on powers of entry, and seek to enable the safe and effective delivery of the hydrogen heat village trial.

¹⁸ [Energy Bill \[HL\] Explanatory Notes](#) p13

It would allow the person running the trial to enter private properties to carry out essential works for the purposes of the trial, including safety measures and checks and to disconnect the gas supply.¹⁹ These provisions only relate to hydrogen heat conversion trials.

The Bill also contains provisions to create regulations for additional consumer protection for those who are affected or likely to be affected by the trial.

The Library briefing [Energy Bill \[HL\] 2022-23, parts 1, 2 & 3: carbon storage, hydrogen, and new technologies](#) provides further detail about these provisions.

¹⁹ [Energy Bill \[HL\] Explanatory Notes](#) p47

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