This draft Statutory Instrument supersedes the draft of the same title which was laid before Parliament and published on 11th March 2025 (ISBN 978-0-348-26999-4). It is being issued free of charge to all known recipients of that draft Statutory Instrument.

Draft Regulations laid before Parliament under section 6(8)(b) of the Energy Act 2013 (c. 32), for approval by resolution of each House of Parliament.

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

2025 No. XXXX

ELECTRICITY

The Contracts for Difference (Miscellaneous Amendments) (No. 2) Regulations 2025

Made - - - - ***

Coming into force in accordance with regulation 1(1)

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 6(1) and (6), 10(3) and 21(1)(c) of the Energy Act 2013(**a**).

The Secretary of State has consulted the persons listed in section 24(1) of that Act and has had regard to the matters in section 5(2) of the Act.

In accordance with section 6(8)(b) of that Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Contracts for Difference (Miscellaneous Amendments) (No. 2) Regulations 2025 and come into force on the day after the day on which they are made.

(2) These Regulations extend to England and Wales, Scotland and Northern Ireland.

Amendment of the Contracts for Difference (Definition of Eligible Generator) Regulations 2014

2.—(1) The Contracts for Difference (Definition of Eligible Generator) Regulations 2014(**b**) are amended as follows.

(2) In regulation 2 (interpretation), in paragraph (1), at the appropriate place, insert—

""biomass station" means a generating station which is fuelled by solid biomass;".

(**a**) 2013 c. 32; section 6(1) was amended by the Energy Prices Act 2022 (c. 44), section 18(2)(a).
(**b**) S.I. 2014/2010; relevant amending instruments are S.I. 2021/758, 2022/691, 2025/25.

(3) In regulation 3 (definition of eligible generator), in paragraph (5), in the definition of "carry out a generating activity"—

(a) omit the "or" after sub-paragraph (c);

(b) after sub-paragraph (d), insert—

"or

(e) the continuation of electricity generation by an existing biomass station.".

(4) In the Schedule (eligible generating stations), in paragraph 1, before sub-paragraph (b), insert—

"(aa) a biomass station;".

Amendment of the Electricity Market Reform (General) Regulations 2014

3.—(1) The Electricity Market Reform (General) Regulations 2014(**a**) are amended as follows.

(2) In the heading of regulation 18 (power to direct a CFD counterparty), after "counterparty", insert "following revision to standard terms".

(3) After regulation 18, insert—

"Power to direct a CFD counterparty: CFDs under section 10 of the Act

19.—(1) This paragraph applies in relation to a CFD entered into by virtue of a direction given under section 10(1) of the Act after the date on which this regulation comes into force.

(2) The Secretary of State may give a notice ("a regulation 19 direction notice") to a CFD counterparty that requires the CFD counterparty to implement amendments relating to the sustainability obligations in a CFD of the sort described in paragraph (1).

(3) But the Secretary of State may not give a regulation 19 direction notice if the Secretary of State is of the opinion that the amendments would reduce or undermine sustainability obligations in a CFD to which the notice applies.

(4) A regulation 19 direction notice must specify—

(a) the amendments the CFD counterparty must effect,

(b) the CFDs in relation to which the amendments must be made, and

(c) the date by which the amendments must take effect.

(5) The Secretary of State must publish a regulation 19 direction notice.".

Name
Parliamentary Under Secretary of State
Department for Energy Security and Net Zero

Date

(**a**) S.I. 2014/2013; relevant amending instruments are S.I. 2015/718, 2016/784.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Contracts for Difference (Definition of Eligible Generator) Regulations 2014 (S.I. 2014/2010) (the "Eligible Generator Regulations") and the Electricity Market Reform (General) Regulations 2014 (S.I. 2014/2013) (the "Market Reform Regulations").

Regulation 3 of the Eligible Generator Regulations defines "eligible generator", for the purposes of Chapter 2 of Part 2 of the Energy Act 2013 (c. 32), as including a person who intends to carry out a generating activity in relation to an eligible generator. The amendments made by regulation 2 provide that carrying out a generating activity includes the continuation of electricity generation by an existing biomass station and that the definition of an eligible generator includes a biomass station.

Regulation 3(3) inserts regulation 19 into the Market Reform Regulations. It allows the Secretary of State to direct a CFD counterparty to implement amendments relating to sustainability obligations in a CFD entered into following a direction under section 10(1) of the Energy Act 2013.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary, or public sector is foreseen.

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