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.

DRAFT STATUTORY INSTRUMENTS

2024 No.

ELECTRICITY

The Contracts for Difference (Miscellaneous Amendments) Regulations 2024

Made - - - -

Coming into force in accordance with regulation 1(2)

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

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

In accordance with section 6(8)(b) of that Act, a draft of this instrument was laid before, 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) Regulations 2024.

(2) These Regulations come into force on the day after the day on which they are made.

(3) Any amendment made by these Regulations has the same extent as the provision amended.

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

2. In regulation 3(5) of the Contracts for Difference (Definition of Eligible Generator) Regulations 2014(**b**), in the definition of "carry out a generating activity"—

(a) omit the "or" after paragraph (b);

(b) after paragraph (c), insert—

"or

(**a**) 2013 c. 32. Section 6 was amended by section 18(2)(a) of the Energy Prices Act 2022 (c. 44).
(**b**) S.I. 2014/2010, amended by S.I. 2021/758 and 2022/691; there are other amending instruments but none are relevant.

(d) to alter an eligible generating station(**a**) by decommissioning part of it in order to replace that part;".

Amendment of the Contracts for Difference (Allocation) Regulations 2014

3.—(1) The Contracts for Difference (Allocation) Regulations 2014(**b**) are amended as follows.

(2) In regulation 14(1) (excluded applications), at the beginning, for "An" substitute "Subject to regulation 14ZA (decommissioning), an".

(3) After regulation 14, insert—

"Excluded applications: decommissioning

14ZA.—(1) This regulation applies to an application(**c**) in respect of a CFD unit(**d**) that is to be altered by decommissioning part of an eligible generating station(**e**) in order to replace that part.

(2) An application mentioned in paragraph (1) is not an excluded application under the following paragraphs of regulation 14—

(a) paragraph (5) (accreditation or registration);

(b) paragraph (9) (funding under non-fossil fuel orders);

(c) paragraph (10) (capacity agreement);

(d) paragraph (13) (investment contract).".

(4) In regulation 27ZA (floating offshore wind CFD units), omit paragraph 4(a) and the "and" after it.

Name
Minister of State
Department for Energy Security and Net Zero

(**a**) "Eligible generating station" has the meaning given by regulation 3(5) of the Contracts for Difference (Definition of Eligible Generator) Regulations 2014.
(**b**) S.I. 2014/2011, amended by S.I. 2016/784, 2021/758 and 2024/710; there are other amending instruments but none are relevant.
(**c**) "Application" has the meaning given by regulation 2(1) of the Contracts for Difference (Allocation) Regulations 2014.
(**d**) "CFD unit" has the meaning given by regulation 2(1) of the Contracts for Difference (Allocation) Regulations 2014.
(**e**) "Eligible generating station" has the meaning given by regulation 2(2) of the Contracts for Difference (Allocation) Regulations 2014.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under section 6 of the Energy Act 2013 (c. 32), which enables the Secretary of State, for the purpose of encouraging low carbon electricity generation, to make regulations about "contracts for difference" (defined in section 6(2) of the Energy Act 2013 (c. 32)) between a "CFD counterparty" (which is a person designated under section 7 of that Act) and an "eligible generator" (defined in the Contracts for Difference (Eligible Generator) Regulations 2014 (S.I. 2014/2010) ("Eligible Generator Regulations")).

Regulation 2 of these Regulations amends the Eligible Generator Regulations so that a person who alters an "eligible generating station" (defined in regulation 3(5) of the Eligible Generator Regulations) by decommissioning part of it in order to replace that part is an eligible generator.

Paragraphs (2) and (3) of regulation 3 of these Regulations amend the Contracts for Difference (Allocation) Regulations 2014 (S.I. 2014/2011) ("Allocation Regulations"), so that an "application" involving the alteration of a "CFD unit" (both defined in regulation 2(1) of the Allocation Regulations) by decommissioning part of it and replacing that part is not "an excluded application" (i.e. an application which an eligible generator may not make under Part 4 of the Allocation Regulations).

Regulation 3(4) of these Regulations amends the Allocation Regulations so that it is no longer an additional qualification requirement that an application in respect of a "floating offshore wind CFD unit" is not a "phased offshore wind CFD unit" (respectively defined in regulations 27ZA(2) and 2(1) of the Allocation Regulations).

A full impact assessment of the effect that this instrument will have on the costs of the business, voluntary and public sector is available from the Department for Energy, Security and Net Zero, 3-8 Whitehall Place, London, SW1A 2HH, and is available alongside this instrument on www.legislation.gov.uk.

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