Draft Regulations laid before Parliament under section 6(8) of, and paragraph 6(5)(b) of Schedule 2 to, the Energy Act 2013, 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

2015 No. 0000

ELECTRICITY

The Electricity Market Reform (General) (Amendment) Regulations 2015

Made - - - - 2015

Coming into force in accordance with regulation 1

The Secretary of State has before making these Regulations—

(a) consulted the persons listed in section 24(1)(a) to (g) and paragraph 13(1) and (4) of Schedule 2 to of the Energy Act 2013(**a**), and such other persons as the Secretary of State considered it appropriate to consult; and

(b) had regard to the matters in section 5(2) of that Act.

In accordance with section 6(8) of, and paragraph 6(5)(b) of Schedule 2 to, that Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Accordingly, the Secretary of State, in exercise of the powers conferred by sections 6(1) and 20 of, and paragraphs 11 and 16(2), (4) and (5) of Schedule 2 to, the Energy Act 2013, makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Electricity Market Reform (General) (Amendment) Regulations 2015 and come into force on the day after the date on which they are made.

Amendment

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

(2) At the appropriate places in regulation 2 (Interpretation) insert the following definitions—

> ""FMS procedures" means the procedures agreed, or to be agreed, between the parties to a CFD or retained investment contract, further to the terms and conditions of that contract to ensure compliance by the generator party with the FMS obligations;";
>
> ""FMS compliance and enforcement" means the terms and conditions of a CFD or retained investment contract by virtue of which the relevant party monitors compliance with, and enforcement of, the FMS procedures or the FMS obligations;";

(**a**) 2013 c. 32.
(**b**) S.I. 2014/2013.

““FMS obligations” means the terms and conditions of a CFD or retained investment contract by virtue of which the generator party is required to—

(a) measure the amount of fuel used by the generating station which is subject to that contract;

(b) sample the content of such fuel; and

(c) provide information to the relevant party in relation to such measurement and sampling;”;

““generator party” means a party to a CFD or a retained investment contract other than the relevant party;”;

““relevant party” means—

(a) in relation to a CFD, the CFD counterparty which is party to that contract;

(b) in relation to a retained investment contract, the Secretary of State;”;

““retained investment contract” means an investment contract other than a transferred investment contract”;

““sustainability obligations” means the terms and conditions of a CFD or retained investment contract by virtue of which requirements are imposed on the generator party in relation to—

(a) the use of bioliquids, solid biomass or gaseous biomass in the generation of electricity; and

(b) the provision of information to the relevant party concerning such use;”;

““transferred investment contract” means an investment contract which has been transferred to a CFD counterparty by virtue of paragraph 16(1) of Schedule 2 to the Act;”.

(3) In regulation 6 (Provision of information by a CFD counterparty to the delivery body)—

(a) in paragraphs (4) and (8)(a), for “an eligible generator who is a party to a CFD” substitute “a generator party”; and

(b) in paragraph (8)(b), for “eligible generator” substitute “generator party”.

(4) In regulation 7 (Provision of information by generators to the delivery body)—

(a) in paragraph (1)(c) for “an eligible generator who is a party to a CFD (“a relevant generator”)” substitute “a generator party”; and

(b) in paragraphs (2), (4), (5), (6) and (7) for “relevant generator” substitute “generator party”.

(5) After regulation 15 (Restricted liability in damages) insert—

“PART 5

Advice arrangements and transferred investment contracts

Provision of advice by the Authority

16.—(1) The Authority may enter into arrangements for the purpose of offering advice to a relevant party in respect of any of the matters in paragraph (2).

(2) The matters referred to in paragraph (1) are—

(a) FMS procedures, including any contemplated amendments to such procedures;

(b) FMS compliance and enforcement;

(c) monitoring compliance with, and enforcement of, sustainability obligations.

Investment contracts

17.—(1) A transferred investment contract is to be treated as a CFD for the purposes of all provision made by Chapter 2 of Part 2 of the Act except for any provision made by sections 10 to 16 of that Act.

(2) Except in Part 3, any reference in these Regulations to a CFD is to be treated as including reference to a transferred investment contract.".

Name
Secretary of State
Date Department of Energy and Climate Change

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made further to the powers contained in Chapter 2 (contracts for difference) of Part 2 (electricity market reform) of the Energy Act 2013 (c. 32)("the Act").

These Regulations amend the Electricity Market Reform (General) Regulations 2014 (S.I. 2014/2013)("the General Regulations").

Regulation 2 inserts new definitions into regulation 2 of the General Regulations which set out the matters to which arrangements under regulation 16 relate. Regulation 2 also inserts a Part 5 in the General Regulations. Part 5 inserts new regulation 16 and 17 into the General Regulations. New regulation 16 enables the Authority and a CFD counterparty (or the Secretary of State in the case of an investment contract which has not been transferred to a CFD counterparty) to enter into arrangements for advice (including information and analysis) in respect of sustainability and fuel measuring and sampling provisions in CFDs and retained investment contracts. By new regulation 17, investment contracts which have been transferred to a CFD counterparty by virtue of paragraph 16(1) of Schedule 2 to the Act to be treated as CFDs.

A full impact assessment of the effect the CFD regime will have on the costs of business and the voluntary sector is available from the Department of Energy and Climate Change at 3 Whitehall Place, London, SW1A 2AW and is published with the Explanatory Memorandum alongside this instrument on www.legislation.gov.uk.

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