STATUTORY INSTRUMENTS

2025 No. 74

RETAINED EU LAW REFORM

ELECTRICITY

The Electricity Capacity Mechanism (Amendment) Regulations 2025

Made - - - - 24th January 2025

Coming into force in accordance with regulation 1(2)

The Secretary of State makes these Regulations in exercise of the powers conferred by section 14(1) and (3) of the Retained EU Law (Revocation and Reform) Act 2023 ("the 2023 Act")(**a**).

The Secretary of State is a relevant national authority for the purposes of section 14(1) and (3) of the 2023 Act(**b**).

In accordance with paragraph 5(1) and (5) of Schedule 5 to the 2023 Act, a draft of this instrument has been 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 Electricity Capacity Mechanism (Amendment) Regulations 2025.

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

(3) These Regulations extend to England and Wales and Scotland.

Amendment of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)

2. Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast)(**c**) is amended in accordance with regulations 3 to 7.

3. In Article 2 (definitions), in the definition of "capacity mechanism", omit "temporary".

4. In Article 20 (resource adequacy)—

(a) in paragraph 3, omit the first sentence;

(b) omit paragraphs 6 and 8.

(**a**) 2023 c. 28.
(**b**) The term "relevant national authority" is defined in section 21(1) of the Retained EU Law (Revocation and Reform) Act 2023.
(**c**) EUR 2019/943, as amended by S.I. 2020/1006, S.I. 2020/1470 and S.I. 2024/706.

5. In Article 21 (general principles for capacity mechanisms)—

(a) in paragraph 1, omit "as a last resort";

(b) omit paragraph 3;

(c) in paragraph 4, omit "have";

(d) omit paragraphs 7 and 8.

6. In Article 22(1) (design principles for capacity mechanisms), omit point (a).

7. In Article 24(1) (resource adequacy assessments)—

(a) omit "national" in the first three places it occurs;

(b) omit the third subparagraph.

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

24th January 2025

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revoke and alter provisions of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) (EUR 2019/943) which relate to resource adequacy in the electricity sector, in particular capacity mechanisms. The Capacity Market, established under Chapter 3 of Part 2 of the Energy Act 2013 (c. 32) is a capacity mechanism. EUR 2019/943 is secondary assimilated law within the meaning of section 12(2) of the Retained EU Law (Revocation and Reform) Act 2023 (c. 28).

Regulation 3 amends the definition of "capacity mechanism" to remove the reference to such measures being temporary.

Regulation 4 revokes the requirements for the Secretary of State to prepare an implementation plan following an assessment of a resource adequacy concern, to monitor the implementation plan and to adhere to it on an ongoing basis.

Regulations 5 and 6 revoke requirements that Great Britain's Capacity Market must be of a temporary nature and approved for no longer than 10 years. These regulations also revoke requirements to consider the use of a strategic reserve ahead of other types of capacity mechanism, to include provision to phase out the capacity mechanism and to adhere to the implementation plan.

Regulation 7 revokes provisions which are no longer required following the United Kingdom's withdrawal from the European Union.

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. The Capacity Market was subject to a full impact assessment when it was first introduced.

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