

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

CHAPTER IV

RESOURCE ADEQUACY

Article 20

Resource adequacy <sup>F1</sup>...

1 <sup>F2</sup>... [<sup>F3</sup>The Secretary of State may] carry out [<sup>F4</sup>a] resource adequacy [<sup>F5</sup>assessment] pursuant to Article 24.

2 Where [<sup>F6</sup>a] resource adequacy assessment referred to in Article 24 identifies a resource adequacy concern, the [<sup>F7</sup>Secretary of State] shall identify any regulatory distortions or market failures that caused or contributed to the emergence of the concern.

3 [<sup>F8</sup>Where a resource adequacy assessment has identified a resource adequacy concern, the Secretary of State] shall develop and publish an implementation plan with a timeline for adopting measures to eliminate any identified regulatory distortions or market failures <sup>F9</sup>.... When addressing resource adequacy concerns, the [<sup>F10</sup>Secretary of State] shall in particular take into account the principles set out in Article 3 and shall consider:

- a removing regulatory distortions;
- b removing price caps in accordance with Article 10;
- c introducing a shortage pricing function for balancing energy as referred to in Article 44(3) of Regulation (EU) 2017/2195;

<sup>F11</sup>d .....  
e enabling self-generation, energy storage, demand side measures and energy efficiency by adopting measures to eliminate any identified regulatory distortions;

f ensuring cost-efficient and market-based procurement of balancing and ancillary services<sup>F12</sup>.]

<sup>F13</sup>g .....

<sup>F14</sup>4 .....

<sup>F14</sup>5 .....

6 The [<sup>F15</sup>Secretary of State] shall monitor the application of their implementation plans and shall publish the results of the monitoring in an annual report <sup>F16</sup>....

<sup>F17</sup>7 .....

8 [<sup>F18</sup>The Secretary of State] shall continue to adhere to the implementation plan after the identified resource adequacy concern has been resolved.

**Textual Amendments**

- F1** Words in [Art. 20](#) heading omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), [Sch. 4 para. 19\(2\)](#)

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- F2** Words in Art. 20(1) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(3)(a)**
- F3** Words in Art. 20(1) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(3)(b)(i)**
- F4** Word in Art. 20(1) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(3)(b)(ii)**
- F5** Word in Art. 20(1) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(3)(b)(iii)**
- F6** Word in Art. 20(2) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(4)(a)**
- F7** Words in Art. 20(2) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(4)(b)**
- F8** Words in Art. 20(3) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(5)(a)**
- F9** Words in Art. 20(3) omitted (31.12.2020) by virtue of The State Aid (Revocations and Amendments) (EU Exit) Regulations 2020 (S.I. 2020/1470), reg. 1(2), **Sch. 1 para. 10(4)** (with Sch. 3)
- F10** Words in Art. 20(3) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(5)(b)**
- F11** Art. 20(3)(d) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(5)(c)**
- F12** Art. 20(3)(f): full stop substituted for semicolon (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(5)(d)**
- F13** Art. 20(3)(g) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(5)(e)**
- F14** Art. 20(4)(5) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(6)**
- F15** Words in Art. 20(6) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(7)(a)**
- F16** Words in Art. 20(6) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(7)(b)**
- F17** Art. 20(7) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(8)**
- F18** Words in Art. 20(8) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 19(9)**

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## Article 21

### General principles for capacity mechanisms

1 To eliminate residual resource adequacy concerns, [<sup>F19</sup>the Secretary of State] may, as a last resort while implementing the measures referred to in Article 20(3) of this Regulation <sup>F20</sup>..., introduce [<sup>F21</sup>a] capacity [<sup>F22</sup>mechanism].

<sup>F23</sup>2 .....

3 [<sup>F24</sup>The Secretary of State] shall assess whether a capacity mechanism in the form of strategic reserve is capable of addressing the resource adequacy concerns. Where this is not the case, [<sup>F25</sup>the Secretary of State] may implement a different type of capacity mechanism.

4 [<sup>F26</sup>The Secretary of State] shall not introduce [<sup>F27</sup>a capacity mechanism] where [<sup>F28</sup>any] resource adequacy assessment [<sup>F29</sup>has] have not identified a resource adequacy concern.

<sup>F30</sup>5 .....

6 [<sup>F31</sup>The Secretary of State] shall review [<sup>F32</sup>the] capacity mechanism and shall ensure that no new contracts are concluded under that mechanism where [<sup>F33</sup>the] resource adequacy assessment [<sup>F34</sup>has] not identified a resource adequacy concern <sup>F35</sup>....

7 When designing capacity mechanisms [<sup>F36</sup>the Secretary of State] shall include a provision allowing for an efficient administrative phase-out of the capacity mechanism where no new contracts are concluded under paragraph 6 during three consecutive years.

8 Capacity mechanisms shall be temporary [<sup>F37</sup>and shall be approved] for no longer than 10 years. They shall be phased out or the amount of the committed capacities shall be reduced on the basis of the implementation plans referred to in Article 20. [<sup>F38</sup>The Secretary of State] shall continue to apply the implementation plan after the introduction of the capacity mechanism.

#### Textual Amendments

- F19** Words in Art. 21(1) substituted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 20(2)(a)**
- F20** Words in Art. 21(1) omitted (E.W.S.) (31.12.2020) by virtue of [The State Aid \(Revocations and Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1470\)](#), reg. 1(2), **Sch. 1 para. 10(5)** (with Sch. 3)
- F21** Word in Art. 21(1) inserted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 20(2)(b)**
- F22** Word in Art. 21(1) substituted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 20(2)(c)**
- F23** Art. 21(2) omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 20(3)**
- F24** Words in Art. 21(3) substituted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 20(4)(a)**

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- F25** Words in Art. 21(3) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(4)(b)**
- F26** Words in Art. 21(4) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(5)(a)**
- F27** Words in Art. 21(4) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(5)(b)**
- F28** Word in Art. 21(4) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(5)(c)**
- F29** Word in Art. 21(4) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(5)(d)**
- F30** Art. 21(5) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(6)**
- F31** Words in Art. 21(6) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(7)(a)**
- F32** Word in Art. 21(6) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(7)(b)**
- F33** Word in Art. 21(6) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(7)(c)**
- F34** Word in Art. 21(6) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(7)(d)**
- F35** Words in Art. 21(6) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(7)(e)**
- F36** Words in Art. 21(7) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(8)**
- F37** Words in Art. 21(8) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(9)(a)**
- F38** Words in Art. 21(8) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 20(9)(b)**

## Article 22

### Design principles for capacity mechanisms

- 1 Any capacity mechanism shall:
  - a be temporary;
  - b not create undue market distortions <sup>F39</sup>....;

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- c not go beyond what is necessary to address the adequacy concerns referred to in Article 20;
  - d select capacity providers by means of a transparent, non-discriminatory and competitive process;
  - e provide incentives for capacity providers to be available in times of expected system stress;
  - f ensure that the remuneration is determined through the competitive process;
  - g set out the technical conditions for the participation of capacity providers in advance of the selection process;
  - h be open to participation of all resources that are capable of providing the required technical performance, including energy storage and demand side management;
  - i apply appropriate penalties to capacity providers that are not available in times of system stress.
- 2 The design of strategic reserves shall meet the following requirements:
- a where a capacity mechanism has been designed as a strategic reserve, the resources thereof are to be dispatched only if the transmission system operators are likely to exhaust their balancing resources to establish an equilibrium between demand and supply;
  - b during imbalance settlement periods where resources in the strategic reserve are dispatched, imbalances in the market are to be settled at least at the value of lost load or at a higher value than the intraday technical price limit as referred in Article 10(1), whichever is higher;
  - c the output of the strategic reserve following dispatch is to be attributed to balance responsible parties through the imbalance settlement mechanism;
  - d the resources taking part in the strategic reserve are not to receive remuneration from the wholesale electricity markets or from the balancing markets;
  - e the resources in the strategic reserve are to be held outside the market for at least the duration of the contractual period.

The requirement referred to in point (a) of the first subparagraph shall be without prejudice to the activation of resources before actual dispatch in order to respect the ramping constraints and operating requirements of the resources. The output of the strategic reserve during activation shall not be attributed to balance groups through wholesale markets and shall not change their imbalances.

- 3 In addition to the requirements laid down in paragraph 1, capacity mechanisms other than strategic reserves shall:
- a be constructed so as to ensure that the price paid for availability automatically tends to zero when the level of capacity supplied is expected to be adequate to meet the level of capacity demanded;
  - b remunerate the participating resources only for their availability and ensure that the remuneration does not affect decisions of the capacity provider on whether or not to generate;
  - c ensure that capacity obligations are transferable between eligible capacity providers.
- 4 Capacity mechanisms shall incorporate the following requirements regarding CO<sub>2</sub> emission limits:
- a from 4 July 2019 at the latest, generation capacity that started commercial production on or after that date and that emits more than 550 g of CO<sub>2</sub> of fossil fuel origin per kWh of electricity shall not be committed or to receive payments or commitments for future payments under a capacity mechanism;

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- b from 1 July 2025 at the latest, generation capacity that started commercial production before 4 July 2019 and that emits more than 550 g of CO2 of fossil fuel origin per kWh of electricity and more than 350 kg CO2 of fossil fuel origin on average per year per installed kW shall not be committed or receive payments or commitments for future payments under a capacity mechanism.

The emission limit of 550 g CO2 of fossil fuel origin per kWh of electricity and the limit of 350 kg CO2 of fossil fuel origin on average per year per installed kW referred to in points (a) and (b) of the first subparagraph shall be calculated on the basis of the design efficiency of the generation unit meaning the net efficiency at nominal capacity under the relevant standards provided for by the International Organization for Standardization.

F40 ....

5 [F41The Secretary of State must adapt the capacity mechanism that was applied on 4 July 2019] to comply with Chapter 4 without prejudice to commitments or contracts concluded by 31 December 2019.

Textual Amendments
F39 Words in Art. 22(1)(b) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), Sch. 4 para. 21(2)
F40 Words in Art. 22(4) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), Sch. 4 para. 21(3)
F41 Words in Art. 22(5) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), Sch. 4 para. 21(4)

Article 23

[F42Methodology for] resource adequacy assessment

- F43 1 .....
F43 2 .....
F43 3 .....
F43 4 .....

5 The F44 ... resource adequacy assessment [F45must cover the territory of Great Britain and] shall be based on a transparent methodology which shall ensure that the assessment:

- F46 a .....
b is based on appropriate central reference scenarios of projected demand and supply including an economic assessment of the likelihood of retirement, mothballing, new-build of generation assets and measures to reach energy efficiency and electricity interconnection targets and appropriate sensitivities on extreme weather events, hydrological conditions, wholesale prices and carbon price developments;
c contains separate scenarios reflecting the differing likelihoods of the occurrence of resource adequacy concerns which [F47a capacity mechanism is] designed to address;

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- d appropriately takes account of the contribution of all resources including existing and future possibilities for generation, energy storage, sectoral integration, demand response, and import and export and their contribution to flexible system operation;
- e anticipates the likely impact of the measures referred in Article 20(3);
- f includes variants without existing or planned capacity mechanisms and, where applicable, variants with such mechanisms;
- g is based on a market model using the flow-based approach, where applicable;
- h applies probabilistic calculations;
- i applies a single modelling tool;
- j includes at least the following indicators referred to in Article 25:
  - ‘expected energy not served’, and
  - ‘loss of load expectation’;
- k identifies the sources of possible resource adequacy concerns, in particular whether it is a network constraint, a resource constraint, or both;
- l takes into account real network development;
- m ensures that the national characteristics of generation, demand flexibility and energy storage, the availability of primary resources and the level of interconnection are properly taken into consideration.

F48<sup>6</sup> .....

F48<sup>7</sup> .....

#### Textual Amendments

- F42** Words in Art. 23 heading substituted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 22(2)**
- F43** Art. 23(1)-(4) omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 22(3)**
- F44** Word in Art. 23(5) omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 22(4)(a)(i)**
- F45** Words in Art. 23(5) inserted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 22(4)(a)(ii)**
- F46** Art. 23(5)(a) omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 22(4)(b)**
- F47** Words in Art. 23(5)(c) substituted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 22(4)(c)**
- F48** Art. 23(6)(7) omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 22(5)**

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## Article 24

### <sup>F49</sup> ... Resource adequacy assessments

1 National resource adequacy assessments [<sup>F50</sup> may] have a regional scope and shall be based on the methodology <sup>F51</sup> ... in points (b) to (m) of Article 23(5).

<sup>F52</sup> ...

National resource adequacy assessments may take into account additional sensitivities to those referred in point (b) of Article 23(5). In such cases, national resource adequacy assessments may:

- a make assumptions taking into account the particularities of national electricity demand and supply;
- b use tools and consistent recent data that are complementary to those used by the ENTSO for Electricity for the European resource adequacy assessment.

In addition, the national resource adequacy assessments, in assessing the contribution of capacity providers located in another Member State to the security of supply of the bidding zones that they cover, shall use the methodology as provided for in point (a) of Article 26(11).

2 <sup>F53</sup> ... Resource adequacy assessments <sup>F54</sup> ... shall be made publicly available.

<sup>F55</sup>3 .....

#### Textual Amendments

- F49** Word in Art. 24 heading omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 23(2)**
- F50** Word in Art. 24(1) substituted (E.W.S.) (31.12.2020) by The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 23(3)(a)(i)**
- F51** Words in Art. 24(1) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 23(3)(a)(ii)**
- F52** Words in Art. 24(1) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 23(3)(a)(iii)**
- F53** Word in Art. 24(2) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 23(4)(a)**
- F54** Words in Art. 24(2) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 23(4)(b)**
- F55** Art. 24(3) omitted (E.W.S.) (31.12.2020) by virtue of The Electricity and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1006), reg. 1(2), **Sch. 4 para. 23(5)**



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## Article 25

### Reliability standard

1 <sup>F56</sup>The capacity mechanism] shall have a reliability standard in place. A reliability standard shall indicate the necessary level of security of supply <sup>F57</sup>... in a transparent manner. <sup>F58</sup>...

<sup>F59</sup>2 The reliability standard shall be set by the Secretary of State in accordance with regulation 6 of the Electricity Capacity Regulations 2014.]

3 The reliability standard shall be calculated using at least the value of lost load and the cost of new entry over a given timeframe and shall be expressed as ‘expected energy not served’ and ‘loss of load expectation’.

4 When applying capacity mechanisms, the parameters determining the amount of capacity procured in the capacity mechanism shall be approved by the <sup>F60</sup>the Secretary of State].

#### Textual Amendments

- F56** Words in Art. 25(1) substituted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 24(2)(a)**
- F57** Words in Art. 25(1) omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 24(2)(b)**
- F58** Words in Art. 25(1) omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 24(2)(c)**
- F59** Art. 25(2) substituted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 24(3)**
- F60** Words in Art. 25(4) substituted (E.W.S.) (31.12.2020) by [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 24(4)**

## <sup>F61</sup>Article 26

### Cross-border participation in capacity mechanisms

#### Textual Amendments

- F61** Arts. 26-49 omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 25**

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**Changes to legislation:** Regulation (EU) 2019/943 of the European Parliament and of the Council, CHAPTER IV is up to date with all changes known to be in force on or before 18 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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<sup>F61</sup> Article 27

**Approval procedure**

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**Textual Amendments**

**F61** Arts. 26-49 omitted (E.W.S.) (31.12.2020) by virtue of [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1006\)](#), reg. 1(2), **Sch. 4 para. 25**

**Changes to legislation:**

Regulation (EU) 2019/943 of the European Parliament and of the Council, CHAPTER IV is up to date with all changes known to be in force on or before 18 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to the whole legislation item and associated provisions**

- [Art. 63\(4A\)](#) words substituted by [2023 c. 52 Sch. 17 para. 18](#)