

*Draft Regulations laid before Parliament under paragraph 1(1) of Schedule 7 to the European Union (Withdrawal) Act 2018, for approval by resolution of each House of Parliament.*

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DRAFT STATUTORY INSTRUMENTS

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**2020 No.**

**EXITING THE EUROPEAN UNION  
ENERGY**

**The Electricity and Gas (Internal Markets and Network  
Codes) (Amendment etc.) (EU Exit) Regulations 2020**

*Made - - - - - \*\*\*  
Coming into force in accordance with regulation 1(2)*

The Secretary of State makes these Regulations in exercise of the powers conferred by section 8(1) of, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018(1).

In accordance with paragraph 1(1) of Schedule 7 to that 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 and Gas (Internal Markets and Network Codes) (Amendment etc.) (EU Exit) Regulations 2020.

(2) Regulations 1, 2 and 3 come into force on the day after the day on which these Regulations are made and all other regulations come into force on IP completion day.

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

**Amendment to the Electricity Network Codes and Guidelines (Markets and Trading)  
(Amendment) (EU Exit) Regulations 2019**

2.—(1) Schedule 2 to the Electricity Network Codes and Guidelines (Markets and Trading) (Amendment) (EU Exit) Regulations 2019(2) is amended as follows.

(2) In paragraph 3(3)(d), omit point (49).

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(1) 2018 c.16. Paragraph 21 of Schedule 7 was amended by the European Union (Withdrawal Agreement) Act 2020 (c. 1) section 41(4) and Schedule 5, part 2, paragraphs 38 and 53(1) and (2).  
(2) S.I. 2019/532.

### **Amendments to the Electricity Network Codes and Guidelines (System Operation and Connection) (Amendment etc.) (EU Exit) Regulations 2019**

**3.—(1)** The Electricity Network Codes and Guidelines (System Operation and Connection) (Amendment etc.) (EU Exit) Regulations 2019<sup>(3)</sup> are amended as follows.

(2) In Schedule 1, in paragraph 4(3)—

(a) in paragraph 1A—

(i) omit subparagraph (d);

(ii) after subparagraph (d) insert—

“(e) the definitions of “ancillary service” and “renewable energy” in Article 2 of Regulation (EU) 2019/943;”;

(iii) in the full out wording—

(aa) after “points” insert “(160),”;

(bb) after “(166)” insert “(170)”;

(cc) omit “(169)”;

(b) in paragraph 1C—

(i) in subparagraph (a) omit “, 2016/631, 2016/1388 or 2016/1447”;

(ii) omit subparagraph (b).

(3) In Schedule 2, in paragraph 4—

(a) omit sub-paragraph (2);

(b) in sub-paragraph (3), for the words before paragraph (a) substitute “In the first paragraph —”;

(c) in sub-paragraph (3), for paragraph (c) substitute—

“(c) omit “Article 2 of Regulation (EU) 2015/1222,”

(d) omit “Article 2 of Regulation (EU) 2016/1719,.”;

(d) in sub-paragraph (4)—

(i) for the first line of that sub-paragraph, substitute “In the second paragraph, after point (13), insert—”;

(ii) omit point (14);

(e) omit sub-paragraph (5).

### **Amendments to Commission Regulation (EU) 2016/631**

**4.** Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators is amended in accordance with Schedule 1.

### **Amendments to Commission Regulation (EU) 2016/1388**

**5.** Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a network code on demand connection is amended in accordance with Schedule 2.

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(3) [S.I. 2019/533](#), as amended by [S.I. 2019/1104](#).

#### **Amendments to Commission Regulation (EU) 2016/1447**

6. Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules is amended in accordance with Schedule 3.

#### **Amendments to Regulation (EU) 2019/943**

7. Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) is amended in accordance with Schedule 4.

#### **Revocation of Regulation (EU) 2019/942**

8. Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (recast) is revoked.

Date

*Name*  
Minister of State  
Department for Business, Energy and Industrial  
Strategy

## SCHEDULE 1

Regulation 4

## Amendments to Commission Regulation (EU) 2016/631

1. In Article 1 (subject matter)—
  - (a) in the first paragraph—
    - (i) for “the internal electricity market” substitute “electricity markets”;
    - (ii) omit “Union-wide”;
  - (b) in the second paragraph, omit the words from “to provide” to the end.
- 2.—(1) Article 2 (definitions) is amended as follows.
  - (2) In the first unnumbered paragraph—
    - (a) after “of the Council” insert “(other than the definition of ‘transmission system operator’)”;
    - (b) for “Regulation (EC) No 714/2009” substitute “Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) (other than the definition of ‘transmission system operator’ or ‘TSO’)”;
    - (c) omit “Article 2 of Commission Regulation (EU) 2015/1222”;
    - (d) after “Directive 2009/72/EC” insert “(other than the definitions of ‘distributed generation’, ‘renewable energy sources’ and ‘transmission system operator’)”.
  - (3) In the second unnumbered paragraph—
    - (a) in point (1) (definition of “entity”)—
      - (i) omit “national” (in the first place it occurs);
      - (ii) for “national law” substitute “an enactment”;
    - (b) in point (2) (definition of “synchronous area”) omit the words from “, such as” to the end;
    - (c) in point (46) (definition of “authorised certifier”), for the words from “the national affiliate” to the end substitute “the United Kingdom Accreditation Service or such other body as may be established from time to time to carry out the function of accreditation”;
    - (d) in point (47) (definition of “equipment certificate”)—
      - (i) in the second sentence, omit the words from “at a national” to “European level”;
      - (ii) before the final sentence insert—
 

“Where a range of permitted values for equipment is specified in this Regulation or another enactment, the equipment certificate must state a specific value within that range for that equipment.”;
    - (e) after point (65) insert—
      - “(66) “Great Britain” includes the areas which form part of the jurisdiction of Great Britain<sup>(4)</sup>.
      - (67) “industry code” means a document maintained under a licence, or an agreement related to such a document which forms part of the same regulatory framework.
      - (68) “licence” means a licence granted under section 6 of the Electricity Act 1989<sup>(5)</sup>.
      - (69) “transmission system operator” or “TSO” means—

(4) “the jurisdiction of Great Britain” is defined in article 2 of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast).

(5) 1989 c.29. Section 6 was substituted by the Utilities Act 2000 (c. 27), section 30.

- (a) in relation to Great Britain, a person who is designated as an electricity transmission system operator under section 10H of the Electricity Act 1989<sup>(6)</sup>;
- (b) in relation to an area other than Great Britain, a person who is responsible for operating, ensuring the maintenance of and, if necessary, developing the transmission system in that area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity.”.

3.—(1) Article 3 (scope of application) is amended as follows.

(2) In paragraph 1, in the second subparagraph, omit “, or other authority where applicable in a Member State”.

(3) In paragraph 2, in point (a), for the words from “Member States of” to the end substitute “within Great Britain where the systems are not operated synchronously with the synchronous area of Great Britain”.

4.—(1) Article 4 (application to existing power-generating modules) is amended as follows.

(2) In paragraph 1—

(a) in point (a)(ii)—

(i) omit “relevant” (in the second place where it occurs);

(ii) omit “or, where applicable, the Member State”;

(b) in point (a)(iii)—

(i) omit “relevant”;

(ii) omit “or, where applicable, the Member State”;

(c) in point (b), for the words from “a regulatory authority” to “Member State” substitute “the regulatory authority<sup>(7)</sup>”.

(3) In paragraph 2—

(a) in the first subparagraph, in point (b)—

(i) for the words from “by two years” to “of the Regulation” (in the first place where it occurs) substitute “before 17 May 2018”;

(ii) for “must notify” substitute “must have notified”;

(iii) for the words from “within 30 months” to the end substitute “before 17 November 2018”;

(b) in the second subparagraph, for “TSO shall at least indicate” substitute “TSO must at least have indicated”;

(c) in the third subparagraph, for the words from “A Member State” to “whether the power-generating module” substitute “The regulatory authority may determine whether a power-generating module”.

(4) In paragraph 3, in the first subparagraph—

(a) for the words from “concerned,” to “extend” substitute “that”;

(b) after “application of” insert “the requirements set out in”;

(c) after “this Regulation” insert “be extended”.

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<sup>(6)</sup> Section 10H was inserted by [S.I. 2011/2704](#). Section 10H was amended by [S.I. 2019/530](#).

<sup>(7)</sup> “the regulatory authority” is defined in Article 2 of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast).

- (5) In paragraph 4, in point (b)—
    - (a) omit “relevant”;
    - (b) omit the words from “or, where” to the end.
  - (6) In paragraph 5—
    - (a) omit “relevant” (in the first place it occurs);
    - (b) omit “or, where applicable, the Member State” (in both places it occurs).
- 5.—(1)** Article 5 (determination of significance) is amended as follows.
- (2) In paragraph 2—
    - (a) in point (a), for “0,8” substitute “0.8”;
    - (b) in Table 1—
      - (i) omit the row relating to Continental Europe;
      - (ii) omit the row relating to Nordic;
      - (iii) omit the row relating to Ireland and Northern Ireland;
      - (iv) omit the row relating to Baltic.
  - (3) In paragraph 3—
    - (a) omit “relevant” (in the first place it occurs);
    - (b) omit “or, where applicable, the Member State”;
    - (c) after “the relevant TSO shall” insert “make reasonable endeavours to”.
- 6.** In Article 6 (application to power-generating modules etc.), in paragraph 4, in point (c), for “B, C or, in the case of the Nordic synchronous area, type D” substitute “B or C”.
- 7.—(1)** Article 7 (regulatory aspects) is amended as follows.
- (2) In paragraph 1—
    - (a) for “the entity designated by the Member State” substitute “the regulatory authority”;
    - (b) omit the words from “The designated entity” to the end.
  - (3) In paragraph 2—
    - (a) for “For” substitute “The regulatory authority may determine that”;
    - (b) for the words from “Member States” to the end substitute “are to be subject to its approval”.
  - (4) In paragraph 3—
    - (a) for “Member States, competent entities” substitute “the regulatory authority”;
    - (b) in point (d), omit “, including as required by national legislation”;
    - (c) in point (f), for “agreed European” substitute “applicable”.
  - (5) In paragraph 4, for “competent entity” substitute “regulatory authority”.
  - (6) In paragraph 5, omit “relevant” (in the third place it occurs).
  - (7) In paragraph 6, for “Competent entities” substitute “The regulatory authority”.
  - (8) In paragraph 9, for “Member States” substitute “the regulatory authority”.
- 8.** In Article 8 (multiple TSOs), for paragraphs 1 and 2 substitute—
- “1.** Subject to paragraph 2, this Regulation applies to all TSOs in Great Britain.

2. The regulatory authority may assign the responsibility of a TSO to comply with one or some or all obligations under this Regulation to one or more specific TSOs by giving a direction in writing to each of the affected TSOs.”.

9.—(1) Article 9 (recovery of costs) is amended as follows.

(2) In paragraph 1, for “relevant regulatory authorities” substitute “regulatory authority”.

(3) In paragraph 2, for “relevant regulatory authorities” substitute “regulatory authority”.

10.—(1) Article 10 (public consultation) is amended as follows.

(2) In paragraph 1, for “competent authorities of each Member State,” substitute “regulatory authority and the Secretary of State,”.

(3) In paragraph 2, omit “or, if applicable, the Member State”.

11. Omit Article 11.

12.—(1) Article 12 (confidentiality obligations) is amended as follows.

(2) In paragraph 2—

(a) after “shall apply to” insert “the regulatory authority and to”;

(b) for “any persons” substitute “any other persons”;

(c) omit “, regulatory authorities or entities”.

(3) In paragraph 3—

(a) after “received by” insert “the regulatory authority or by”;

(b) omit “, regulatory authorities or entities”;

(c) for the words after “national law,” substitute “including the other provisions of this Regulation.”.

(4) In paragraph 4—

(a) omit “or Union”;

(b) for “regulatory authorities, entities or” substitute “the regulatory authority or other”.

13.—(1) Article 13 (general requirements for type A power-generating modules) is amended as follows.

(2) In paragraph 1, in Table 2—

(a) omit the rows relating to Continental Europe;

(b) omit the rows relating to Nordic;

(c) in the rows relating to Great Britain—

(i) for “47,0” substitute “47.0”;

(ii) for “47,5” (in both places it occurs) substitute “47.5”;

(iii) for “48,5” (in both places it occurs) substitute “48.5”;

(iv) for “49,0” (in both places it occurs) substitute “49.0”;

(v) for “51,0” (in both places it occurs) substitute “51.0”;

(vi) for “51,5” (in both places it occurs) substitute “51.5”;

(vii) for “52,0” substitute “52.0”;

(d) omit the rows relating to Ireland and Northern Ireland;

(e) omit the rows relating to Baltic.

- (3) In paragraph 2—
  - (a) in point (b), omit “relevant” (in the third place it occurs);
  - (b) in point (c)—
    - (i) for “50,2” substitute “50.2”;
    - (ii) for “50,5” substitute “50.5”.
- (4) In paragraph 4, in point (b), for “49,5” substitute “49.5”.
- (5) In paragraph 5, in Figure 2—
  - (a) for “48,5” substitute “48.5”;
  - (b) for “49,5” substitute “49.5”.

**14.**—(1) Article 14 (general requirements for type B power-generating modules) is amended as follows.

- (2) In paragraph 3—
  - (a) in Table 3.1—
    - (i) for “0,05” substitute “0.05”;
    - (ii) for “0,3” substitute “0.3”;
    - (iii) for “0,14” (in both places it occurs) substitute “0.14”;
    - (iv) for “0,15” substitute “0.15”;
    - (v) for “0,25” substitute “0.25”;
    - (vi) for “0,7” (in both places it occurs) substitute “0.7”;
    - (vii) for “0,9” (in both places it occurs) substitute “0.9”;
    - (viii) for “0,85” substitute “0.85”;
    - (ix) for “1,5” substitute “1.5”;
  - (b) in Table 3.2—
    - (i) for “0,05” substitute “0.05”;
    - (ii) for “0,15” (in each place it occurs) substitute “0.15”;
    - (iii) for “0,14” (in both places it occurs) substitute “0.14”;
    - (iv) for “0,25” substitute “0.25”;
    - (v) for “0,85” substitute “0.85”;
    - (vi) for “1,5” substitute “1.5”;
    - (vii) for “3,0” substitute “3.0”.

**15.**—(1) Article 15 (general requirements for type C power-generating modules) is amended as follows.

- (2) In paragraph 2—
  - (a) in point (c)(i)—
    - (i) for “49,8” substitute “49.8”;
    - (ii) for “49,5” substitute “49.5”;
  - (b) in Table 4—
    - (i) for “1,5” substitute “1.5”;
    - (ii) for “0,02” substitute “0.02”;



- (iii) for “0,06” substitute “0.06”;
  - (c) in point (d)(vii)—
    - (i) omit “relevant” (in the second place it occurs);
    - (ii) omit “national”;
  - (d) in Table 5, for “1,5” substitute “1.5”.
- (3) In paragraph 5, in point (a)(i), for the words from “the Member State’s” to “rules” substitute “any enactment, licence condition or industry code which confers powers on a person to introduce obligatory requirements”.
- (4) In paragraph 6, in point (c)(i), in the second subparagraph, for “Member States” substitute “The regulatory authority”.

**16.—**(1) Article 16 (general requirements for type D power-generating modules) is amended as follows.

- (2) In paragraph 2—
  - (a) omit point (a)(iii);
  - (b) omit point (a)(v);
  - (c) in Table 6.1—
    - (i) omit the rows relating to Continental Europe;
    - (ii) omit the rows relating to Nordic;
    - (iii) in the row relating to Great Britain—
      - (aa) for “0,90” substitute “0.90”;
      - (bb) for “1,10” substitute “1.10”;
    - (iv) omit the row relating to Ireland and Northern Ireland;
    - (v) omit the rows relating to Baltic;
  - (d) in Table 6.2—
    - (i) omit the rows relating to Continental Europe;
    - (ii) omit the rows relating to Nordic;
    - (iii) in the rows relating to Great Britain—
      - (aa) for “0,90” substitute “0.90”;
      - (bb) for “1,05” (in both places it occurs) substitute “1.05”;
      - (cc) for “1,10” substitute “1.10”;
    - (iv) omit the row relating to Ireland and Northern Ireland;
    - (v) omit the rows relating to Baltic.
- (3) In paragraph 3—
  - (a) in Table 7.1—
    - (i) for “0,14” (in both places it occurs) substitute “0.14”;
    - (ii) for “0,15” substitute “0.15”;
    - (iii) for “0,25” (in both places it occurs) substitute “0.25”;
    - (iv) for “0,45” substitute “0.45”;
    - (v) for “0,5” substitute “0.5”;
    - (vi) for “0,7” (in both places it occurs) substitute “0.7”;

- (vii) for “0,85” substitute “0.85”;
- (viii) for “0,9” substitute “0.9”;
- (ix) for “1,5” substitute “1.5”;

## (b) in Table 7.2—

- (i) for “0,14” (in both places it occurs) substitute “0.14”;
- (ii) for “0,15” substitute “0.15”;
- (iii) for “0,25” substitute “0.25”;
- (iv) for “0,85” substitute “0.85”;
- (v) for “1,5” substitute “1.5”;
- (vi) for “3,0” substitute “3.0”.

**17.** In Article 18 (requirements for type C synchronous power-generating modules), in paragraph 2—

## (a) in Figure 7—

- (i) for “1,100” substitute “1.100”;
- (ii) for “1,050” substitute “1.050”;
- (iii) for “1,000” substitute “1.000”;
- (iv) for “,950” substitute “.950”;
- (v) for “,900” substitute “.900”;
- (vi) for “,850” substitute “.850”;
- (vii) for “-,600” substitute “-.600”;
- (viii) for “-,500” substitute “-.500”;
- (ix) for “-,400” substitute “-.400”;
- (x) for “-,300” substitute “-.300”;
- (xi) for “-,200” substitute “-.200”;
- (xii) for “-,100” substitute “-.100”;
- (xiii) for “-,000” substitute “-.000”;
- (xiv) for “,100” substitute “.100”;
- (xv) for “,200” substitute “.200”;
- (xvi) for “,300” substitute “.300”;
- (xvii) for “,400” substitute “.400”;
- (xviii) for “,500” substitute “.500”;
- (xix) for “,600” substitute “.600”;
- (xx) for “,700” substitute “.700”;

## (b) In Table 8—

- (i) omit the row relating to Continental Europe;
- (ii) omit the row relating to Nordic;
- (iii) in the row relating to Great Britain—
  - (aa) for “0,95” substitute “0.95”;
  - (bb) for “0,225” substitute “0.225”;
- (iv) omit the row relating to Ireland and Northern Ireland;

(v) omit the row relating to Baltic.

**18.** In Article 21 (requirements for type C power park modules) in paragraph 3—

(a) in Figure 8—

- (i) for “1,100” substitute “1.100”;
- (ii) for “1,050” substitute “1.050”;
- (iii) for “1,000” substitute “1.000”;
- (iv) for “,950” substitute “.950”;
- (v) for “,900” substitute “.900”;
- (vi) for “,850” substitute “.850”;
- (vii) for “-,600” substitute “-.600”;
- (viii) for “-,500” substitute “-.500”;
- (ix) for “-,400” substitute “-.400”;
- (x) for “-,300” substitute “-.300”;
- (xi) for “-,200” substitute “-.200”;
- (xii) for “-,100” substitute “-.100”;
- (xiii) for “-,000” substitute “-.000”;
- (xiv) for “,100” substitute “.100”;
- (xv) for “,200” substitute “.200”;
- (xvi) for “,300” substitute “.300”;
- (xvii) for “,400” substitute “.400”;
- (xviii) for “,500” substitute “.500”;
- (xix) for “,600” substitute “.600”;
- (xx) for “,700” substitute “.700”;

(b) in Table 9—

- (i) omit the row relating to Continental Europe;
- (ii) omit the row relating to Nordic;
- (iii) in the row relating to Great Britain—
  - (aa) for “0,66” substitute “0.66”;
  - (bb) for “0,225” substitute “0.225”;
- (iv) omit the row relating to Ireland and Northern Ireland;
- (v) omit the row relating to Baltic;

(c) in Figure 9—

- (i) for “1,000” substitute “1.000”;
- (ii) for “,900” substitute “.900”;
- (iii) for “,800” substitute “.800”;
- (iv) for “,700” (in both places it occurs) substitute “.700”;
- (v) for “,600” (in both places it occurs) substitute “.600”;
- (vi) for “,500” (in both places it occurs) substitute “.500”;
- (vii) for “,400” (in both places it occurs) substitute “.400”;

- (viii) for “,300” (in both places it occurs) substitute “.300”;
- (ix) for “,200” (in both places it occurs) substitute “.200”;
- (x) for “,100” (in both places it occurs) substitute “.100”;
- (xi) for “,000” substitute “.000”;
- (xii) for “-,600” substitute “-.600”;
- (xiii) for “-,500” substitute “-.500”;
- (xiv) for “-,400” substitute “-.400”;
- (xv) for “-,300” substitute “-.300”;
- (xvi) for “-,200” substitute “-.200”;
- (xvii) for “-,100” substitute “-.100”;
- (xviii) for “-,000” substitute “-.000”;
- (d) in point (d)(ii)—
  - (aa) for “0,95” substitute “0.95”;
  - (bb) for “1,05” substitute “1.05”;
  - (cc) for “0,01” substitute “0.01”;
  - (dd) for “0,5” substitute “0.5”;
- (e) in point (d)(iii), for “0,5” substitute “0.5”;
- (f) in point (d)(vi), for “0,01” substitute “0.01”.

**19.**—(1) Article 25 (voltage stability requirements applicable to AC-connected offshore power park modules) is amended as follows.

- (2) Omit paragraph 2.
- (3) In paragraph 3—
  - (a) omit the words from “Notwithstanding the provisions” to “Continental Europe synchronous area”;
  - (b) for Table 10 substitute—

**“Table 10**

<i>Synchronous area</i>	<i>Voltage range</i>	<i>Time period for operation</i>
Great Britain	0.90 pu – 1.10 pu where the voltage base for pu values is below 300kV	Unlimited
	0.90 pu – 1.05 pu where the voltage base for pu values is from 300kV to 400kV	Unlimited
	1.05 pu – 1.10 pu where the voltage base for pu values is from 300kV to 400kv	15 minutes”

- (4) In paragraph 5, for Table 11 substitute—

**“Table 11****Parameters for Figure 8**

<i>Synchronous area</i>	<i>Maximum range of <math>Q/P_{max}</math></i>	<i>Maximum range of steady-state voltage level in PU</i>
Great Britain	0, at the offshore connection point for configuration 1 (as described in Article 23(3)(a)).	0.225
	0.33, at the offshore connection point for configuration 2 (as described in Article 23(3)(b)).	0.225”

**20.** In Article 30 (operational notification of type A power-generating modules), in paragraph 3—

- (a) for “competent authority of the Member State” substitute “regulatory authority”;
- (b) omit “in accordance with national legislation”.

**21.—(1)** Article 32 (procedure for type B and C power-generating modules) is amended as follows.

(2) In paragraph 4—

- (a) for “competent authority of the Member State” substitute “regulatory authority”;
- (b) omit “in accordance with national legislation”.

(3) In paragraph 6, for “Member States” substitute “The regulatory authority”.

**22.—(1)** Article 38 (identification of costs and benefits of application of requirements to existing power-generating modules) is amended as follows.

- (2) In paragraph 3, in point (b), omit “or where applicable the Member State”.
- (3) In paragraph 4, omit “or, where applicable, the Member State,”.
- (4) In paragraph 5, omit “or, where applicable, the Member State”.

**23.** In Article 39 (principles of cost-benefit analysis), in paragraph 2, in point (c), for “the internal market in electricity” substitute “electricity markets”.

**24.** In Article 40 (responsibility of the power-generating facility owner), in paragraph 1, omit “, issued as per Regulation (EC) No 765/2008”.

**25.** In Article 43 (common provisions on compliance simulation), in paragraph 2, in point (a), for “with national legislation” substitute “another enactment, or a licence or industry code”.

**26.** In Article 48 (compliance tests for type C power park modules), in paragraph 7, in point (c)(ii), for “0,01” substitute “0.01”.

**27.** In Article 53 (compliance simulations for type D synchronous power-generating modules), in paragraph 2, in point (c)(ii), for “0,6” substitute “0.6”.

**28.** In Title 4, omit Chapter 8.

**29.—(1)** Article 60 (power to grant derogations) is amended as follows.

- (2) In paragraph 1, for “Regulatory authorities” substitute “The regulatory authority”.
- (3) Omit paragraph 2.

- 30.**—(1) Article 61 (general provisions) is amended as follows.
- (2) For paragraph 1 substitute—
- “1. Subject to paragraph 2, the regulatory authority’s published criteria for granting derogations pursuant to Articles 62 and 63 which applied immediately before IP completion day continue to apply on and after IP completion day, and the regulatory authority must continue to publish those criteria (including any subsequent amendments) on its website.”.
- (3) In paragraph 2, for “in accordance with paragraph 1” substitute “after consulting relevant system operators, power generating facility owners and other stakeholders who it considers may be affected by this Regulation”.
- 31.** In Article 62 (request for a derogation by a power-generating facility owner), in paragraph 11—
- (a) for “A regulatory authority” substitute “The regulatory authority”;
- (b) omit the words from “or upon” to the end.
- 32.**—(1) Article 63 (request for a derogation by a relevant system operator or relevant TSO) is amended as follows.
- (2) In paragraph 9—
- (a) after “derogation,” insert “and to”;
- (b) omit “and the Agency”.
- (3) In paragraph 10—
- (a) for “Regulatory authorities”—
- (i) (in the first place it occurs) substitute “The regulatory authority”;
- (ii) (in the second place it occurs) substitute “the regulatory authority”;
- (b) omit “at the national level”.
- (4) In paragraph 11—
- (a) for “A regulatory authority” substitute “The regulatory authority”;
- (b) omit the words from “or upon” to the end.
- 33.** In Article 64 (register of derogations from the requirements of this Regulation), for paragraph 1 substitute—
- “1. The regulatory authority must maintain a register of all derogations it has granted or refused.”.
- 34.** Omit Article 65.
- 35.** In Article 66 (emerging technologies), in paragraph 2, in point (c), for “established pursuant to” substitute “specified in”.
- 36.**—(1) Article 67 (establishment of thresholds for classification as emerging technologies) is amended as follows.
- (2) In paragraph 1, for the words from “a synchronous area” to the end substitute “the synchronous area of Great Britain is 58.023 MW”.
- (3) Omit paragraphs 2 and 3.
- 37.** Omit Article 68.
- 38.**—(1) Article 69 (assessment and approval of requests for classification as an emerging technology) is amended as follows.

(2) For paragraph 1 substitute—

“1. The regulatory authority must publish a list of power-generating modules which it had, before IP completion day, approved as emerging technologies under this Article as it had effect in EU law immediately before IP completion day.”.

(3) Omit paragraph 2.

**39.**—(1) Article 70 (withdrawal of classification as an emerging technology) is amended as follows.

(2) In paragraph 1—

- (a) for “regulatory authorities pursuant to Article 69(1)” substitute “regulatory authority to classify a power-generating module as an emerging technology”;
- (b) after “of any” insert “such”;
- (c) for “per Member State” substitute “in Great Britain”.

(3) In paragraph 2 omit “relevant”.

(4) In paragraph 3—

- (a) for the words from “Without prejudice” to “coordinated manner” substitute “The regulatory authority may decide for any other reason”;
- (b) omit the words “The regulatory authorities of the synchronous area concerned” to “the opinion of the Agency.”;
- (c) for the words from “each” to “synchronous area” substitute “the regulatory authority”.

**40.**—(1) Article 71 (amendment of contracts and general terms and conditions) is amended as follows.

(2) In paragraph 1, for “Regulatory authorities” substitute “The regulatory authority”.

(3) In paragraph 2, omit “or Member State”.

(4) In paragraph 3—

- (a) for “Regulatory authorities” substitute “The regulatory authority”;
- (b) omit “national” (in the first place where it occurs);
- (c) for “national network codes” substitute “industry codes”.

**41.** In the text after Article 72, omit “This Regulation shall be binding in its entirety and directly applicable in all Member States.”.

## SCHEDULE 2

Regulation 5

### Amendments to Commission Regulation (EU) 2016/1388

**1.**—(1) Article 1 (subject matter) is amended as follows.

(2) In paragraph 2—

- (a) for “the internal electricity market” substitute “electricity markets”;
- (b) omit “Union-wide”.

(3) In paragraph 3, omit the words from “to provide” to the end.

(4) In Article 2 (definitions)—

- (a) in the first unnumbered paragraph—
  - (i) after “and of the Council” insert “(other than the definition of ‘transmission system operator’)”;
  - (ii) for “Regulation (EC) No 714/2009” substitute “Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) (other than the definition of ‘transmission system operator’ or ‘TSO’)”;
  - (iii) omit “Article 2 of Commission Regulation (EU) 2015/1222,”;
  - (iv) after “Directive 2009/72/EC” insert “(other than the definitions of ‘distributed generation’, ‘renewable energy sources’ and ‘transmission system operator’)”.
- (b) in the second unnumbered paragraph, in point (5) (definition of closed distribution system) —
  - (i) for the words “Article 28 of Directive 2009/72/EC” substitute “paragraph 12(2) of Schedule 2ZA to the Electricity Act 1989<sup>(8)</sup>”;
  - (ii) for the words from “national regulatory” to “Member State,” substitute “the regulatory authority”.

2.—(1) Article 3 (scope of application) is amended as follows.

(2) In paragraph 1, in the second subparagraph, omit “, or other authority where applicable in a Member State”.

(3) In paragraph 2, in point (a), for the words from “Member States” to the end substitute “within Great Britain where the systems are not operated synchronously with the synchronous area of Great Britain”.

3.—(1) Article 4 (application to existing transmission-connected demand facilities etc.) is amended as follows.

(2) In paragraph 1—

(a) in point (a)(ii)—

- (i) omit “relevant” (in the second place it occurs);
- (ii) omit “or, where applicable, the Member State”;

(b) in point (a)(iii)—

- (i) omit “relevant”;
- (ii) omit “or, where applicable, the Member State”;

(c) in point (b), for the words from “a regulatory authority” to “Member State” substitute “the regulatory authority”.

(3) In paragraph 2—

(a) in the first subparagraph, in point (b)—

- (i) for the words from “by two years” to “of the Regulation” (in the first place where it occurs) substitute “before 7 September 2018”;
- (ii) for “must notify” substitute “must have notified”;
- (iii) for the words from “within 30 months” to the end of point (b) substitute “before 7 March 2019”;

<sup>(8)</sup> 1989 c.29. Schedule 2ZA was inserted by S.I 2011/2704.



- (b) in the third subparagraph, for “A Member State may provide that in specified circumstances the regulatory authority” substitute “The regulatory authority”.
  - (4) In paragraph 3, in the first subparagraph—
    - (a) for the words from “concerned” to “extend” substitute “that”;
    - (b) after “application of” insert “the requirements set out in”;
    - (c) after “this Regulation” insert “be extended”.
  - (5) In paragraph 4, in point (b)—
    - (a) omit “relevant”;
    - (b) omit the words from “or, where” to the end.
  - (6) In paragraph 5—
    - (a) omit “relevant” (in the first place it occurs);
    - (b) omit “or, where applicable, the Member State” (in both places it occurs).
- 4.—(1) Article 6 (regulatory aspects) is amended as follows.
- (2) In paragraph 1—
    - (a) for “the entity designated by the Member State” substitute “the regulatory authority”;
    - (b) omit the words from “The designated entity” to the end.
  - (3) In paragraph 2—
    - (a) for “For” substitute “The regulatory authority may determine that”;
    - (b) for the words from “, Member States” to the end substitute “are to be subject to its approval”.
  - (4) In paragraph 3—
    - (a) for “Member States, competent entities” substitute “the regulatory authority”;
    - (b) in point (d), omit “, including as required by national legislation”;
    - (c) in point (f), for “agreed European” substitute “applicable”.
  - (5) In paragraph 4, for “competent entity” substitute “regulatory authority”.
  - (6) In paragraph 5, omit “relevant” (in the third place it occurs).
  - (7) In paragraph 6, for “Competent entities” substitute “The regulatory authority”.
  - (8) In paragraph 9, for “Member States” substitute “the regulatory authority”.
5. In Article 7 (multiple TSOs), for paragraphs 1 and 2 substitute—
- “1. Subject to paragraph 2, this Regulation applies to all TSOs in Great Britain.
  - 2. The regulatory authority may assign the responsibility of a TSO to comply with one or some or all obligations under this Regulation to one or more specific TSOs by giving a direction in writing to each of the affected TSOs.”.
- 6.—(1) Article 8 (recovery of costs) is amended as follows.
- (2) In paragraph 1, for “relevant regulatory authorities” substitute “regulatory authority”.
  - (3) In paragraph 2, for “relevant regulatory authorities” substitute “regulatory authority”.
- 7.—(1) Article 9 (public consultation) is amended as follows.
- (2) In paragraph 1, in the first subparagraph, for “competent authorities of each Member State” substitute “regulatory authority and the Secretary of State”.

- (3) In paragraph 2, omit “, competent entity or, if applicable, the Member State”.
- (4) Omit Article 10.
- 8.**—(1) Article 11 (confidentiality obligations) is amended as follows.
- (2) In paragraph 2—
- (a) after “shall apply to” insert “the regulatory authority and to”;
  - (b) for “any persons” substitute “any other persons”;
  - (c) omit “, regulatory authorities or entities”.
- (3) In paragraph 3—
- (a) after “received by” insert “the regulatory authority or by”;
  - (b) omit “, regulatory authorities or entities”;
  - (c) for the words after “national law,” substitute “including the other provisions of this Regulation.”.
- (4) In paragraph 4—
- (a) omit “or Union”;
  - (b) for “regulatory authorities, entities, or” substitute “the regulatory authority or other”.
- 9.** In Article 13 (general voltage requirements), omit paragraphs 4 and 5.
- 10.**—(1) Article 15 (reactive power requirements) is amended as follows.
- (2) In paragraph 1 for “0,9” (wherever it occurs) substitute “0.9”.
- (3) In paragraph 2, for “Member States” substitute “the regulatory authority”.
- 11.** In Article 19 (demand disconnection and demand reconnection), in paragraph 1, in point (c) (i), for “0,05” substitute “0.05”.
- 12.** In Article 29 (specific provisions for demand units with demand response system frequency control), in paragraph 2—
- (a) for “50,00” (wherever it occurs) substitute “50.00”;
  - (b) in point (f), for “0,2” substitute “0.2”;
  - (c) in point (g)—
    - (i) for “0,01” substitute “0.01”;
    - (ii) for “0,05” substitute “0.05”.
- 13.** In Article 42 (common provisions on compliance simulations), in paragraph 3, in point (a), for “with national legislation” substitute “another enactment, or a licence or industry code”.
- 14.**—(1) Article 48 (cost-benefit analysis) is amended as follows.
- (2) In paragraph 3, in point (b), omit “or where applicable the Member State”.
- (3) In paragraph 4, omit “or, where applicable, the Member State,”.
- (4) In paragraph 5, omit “or, where applicable, the Member State”.
- 15.** In Article 49 (principles of cost-benefit analysis), in paragraph 2, in point (c), for “the internal market in electricity” substitute “electricity markets”.
- 16.**—(1) Article 50 (derogations) is amended as follows.
- (2) In paragraph 1, for “Regulatory authorities” substitute “The regulatory authority”.

(3) Omit paragraph 2.

**17.**—(1) Article 51 (general provisions) is amended as follows.

(2) For paragraph 1 substitute—

“**1.** Subject to paragraph 2, the regulatory authority’s published criteria for granting derogations pursuant to Articles 52 and 53 which applied immediately before IP completion day continue to apply on and after IP completion day, and the regulatory authority must continue to publish those criteria (including any subsequent amendments) on its website.”.

(3) In paragraph 2, for “in accordance with paragraph 1” substitute “after consulting relevant system operators, power generating facility owners and other stakeholders who it considers may be affected by this Regulation”.

**18.** In Article 52 (request for a derogation by a demand facility owner, a distribution system operator or a closed distribution system operator), in paragraph 10—

- (a) for “A regulatory authority” substitute “The regulatory authority”;
- (b) omit the words from “or upon” to the end.

**19.**—(1) Article 53 (request for a derogation by a relevant system operator or relevant TSO) is amended as follows.

(2) In paragraph 9—

- (a) after “the derogation,” insert “and”;
- (b) omit “and the Agency”.

(3) In paragraph 10—

- (a) for “Regulatory authorities” (in the first place it occurs) substitute “The regulatory authority”;
- (b) for “regulatory authorities” (in the second place it occurs) substitute “the regulatory authority”;
- (c) omit “at the national level”.

(4) In paragraph 11—

- (a) for “A regulatory authority” substitute “The regulatory authority”;
- (b) omit the words from “or upon” to the end.

**20.** In Article 54 (register of derogations from the requirements of this Regulation), for paragraph 1 substitute—

“**1.** The regulatory authority must maintain a register of all derogations it has granted or refused.”.

**21.** Omit Article 55.

**22.** Omit Title 6.

**23.**—(1) Article 58 (amendment of contracts and general terms and conditions) is amended as follows.

(2) In paragraph 1, for “Regulatory authorities” substitute “The regulatory authority”.

(3) In paragraph 2, omit “or Member State”.

(4) In paragraph 3—

- (a) for “Regulatory authorities” substitute “The regulatory authority”;

(b) for “national network codes” substitute “industry codes”.

**24.** In the text after Article 59, omit “This Regulation shall be binding in its entirety and directly applicable in all Member States.”.

**25.** In Annex 1, in the table—

- (a) omit the rows relating to Continental Europe;
- (b) omit the rows relating to Nordic;
- (c) in the rows relating to Great Britain—
  - (i) for “47,0” substitute “47.0”;
  - (ii) for “47,5” (in both places it occurs) substitute “47.5”;
  - (iii) for “48,5” (in both places it occurs) substitute “48.5”;
  - (iv) for “49,0” (in both places it occurs) substitute “49.0”;
  - (v) for “51,0” (in both places it occurs) substitute “51.0”;
  - (vi) for “51,5” (in both places it occurs) substitute “51.5”;
  - (vii) for “52,0” substitute “52.0”;
- (d) omit the rows relating to Ireland and Northern Ireland;
- (e) omit the rows relating to Baltic.

**26.** In Annex 2—

- (a) in the first table—
  - (i) omit the rows relating to Continental Europe;
  - (ii) omit the rows relating to Nordic;
  - (iii) in the row relating to Great Britain—
    - (aa) for “0,90” substitute “0.90”;
    - (bb) for “1,10” substitute “1.10”;
  - (iv) omit the row relating to Ireland and Northern Ireland;
  - (v) omit the rows relating to Baltic;
- (b) in the second table—
  - (i) omit the rows relating to Continental Europe;
  - (ii) omit the rows relating to Nordic;
  - (iii) in the rows relating to Great Britain—
    - (aa) for “0,90” substitute “0.90”;
    - (bb) for “1,05” (in both places it occurs) substitute “1.05”;
    - (cc) for “1,10” substitute “1.10”;
  - (iv) omit the row relating to Ireland and Northern Ireland;
  - (v) omit the rows relating to Baltic.

### SCHEDULE 3

Regulation 6

#### Amendments to Commission Regulation (EU) 2016/1447

**1.** In Article 1 (subject matter)—

- (a) for “the internal electricity market” substitute “electricity markets”;
- (b) omit “Union-wide”;
- (c) omit “to provide a level playing field throughout the Union”.

**2.** In Article 2 (definitions)—

- (a) for “Regulation (EC) No 714/2009” substitute “Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) (other than the definition of ‘transmission system operator’ or ‘TSO’)”;
- (b) omit “Article 2 of Commission Regulation (EU) 2015/1222”;
- (c) after “Directive 2009/72/EC” insert “(other than the definitions of ‘distributed generation’, ‘renewable energy sources’ and ‘transmission system operator’)”;
- (d) after point (10), insert—
  - “(11) “remedial action” means any measure applied by a TSO or more than one TSO, manually or automatically, in order to maintain operational security.”.

**3.—(1)** Article 3 (scope of application) is amended as follows.

- (2) In paragraph 2, for “competent regulatory authorities” substitute “the regulatory authority”.
- (3) In paragraph 6, omit “, or other authority where applicable in a Member State”.
- (4) In paragraph 7, in point (b), for the words from “Member States” to the end substitute “within Great Britain where the systems are not operated synchronously with the synchronous area of Great Britain”.

**4.—(1)** Article 4 (application to existing HVDC systems and DC-connected power park modules) is amended as follows.

- (2) In paragraph 1—
  - (a) in point (a)(ii)—
    - (i) omit “relevant” (in the second place it occurs);
    - (ii) omit “or, where applicable, the Member State”;
  - (b) in point (a)(iii)—
    - (i) omit “relevant”;
    - (ii) omit “or, where applicable, the Member State”;
  - (c) in point (b), for the words from “a regulatory authority” to “Member State” substitute “the regulatory authority”.
- (3) In paragraph 2—
  - (a) in point (b)—
    - (i) for the words from “by two years” to “of the Regulation” (in the first place it occurs) substitute “before 28 September 2018”;
    - (ii) for “must notify” substitute “must have notified”;
    - (iii) for the words from “within 30 months” to the end of the first paragraph substitute “before 28 March 2019.”;
    - (iv) for “TSO shall at least indicate” substitute “TSO must at least have indicated”;
    - (v) for the words from “A Member State” to “regulatory authority” substitute “The regulatory authority”.
- (4) In paragraph 3—

- (a) for the words from “concerned” to “extend” substitute “that”;
  - (b) after “application of” insert “the requirements set out in”;
  - (c) after “this Regulation” insert “be extended”.
- (5) In paragraph 4, in point (b)—
- (a) omit “relevant”;
  - (b) omit “or, where applicable, the Member State”.
- (6) In paragraph 5—
- (a) omit “relevant” (in the first place it occurs);
  - (b) omit “or, where applicable, the Member State” (in both places it occurs).
- 5.—**(1) Article 5 (regulatory aspects) is amended as follows.
- (2) In paragraph 1—
- (a) for “the entity designated by the Member State” substitute “the regulatory authority”;
  - (b) omit the words from “The designated entity” to the end.
- (3) In paragraph 2—
- (a) for “For” substitute “The regulatory authority may determine that”;
  - (b) for the words from “Member States” to the end substitute “are to be subject to its approval”.
- (4) In paragraph 3—
- (a) for “Member States, competent entities” substitute “the regulatory authority”;
  - (b) in point (d), omit “, including as required by national legislation”;
  - (c) in point (f), for “agreed European” substitute “applicable”.
- (5) In paragraph 4, for “competent entity” substitute “regulatory authority”.
- (6) In paragraph 5, omit “relevant” (in the third place it occurs).
- (7) In paragraph 6, for “Competent entities” substitute “The regulatory authority”.
- (8) In paragraph 9, for “Member States” substitute “the regulatory authority”.
- (9) In Article 6 (multiple TSOs), for paragraphs 1 and 2 substitute—
- 1.** Subject to paragraph 2, this Regulation applies to all TSOs in Great Britain.
  - 2.** The regulatory authority may assign the responsibility of a TSO to comply with one or some or all obligations under this Regulation to one or more specific TSOs by giving a direction in writing to each of the affected TSOs.”.
- 6.—**(1) Article 7 (recovery of costs) is amended as follows.
- (2) In paragraph 1, for “relevant regulatory authorities” substitute “regulatory authority”.
- (3) In paragraph 2, for “relevant regulatory authorities” substitute “regulatory authority”.
- 7.—**(1) Article 8 (public consultation) is amended as follows.
- (2) In paragraph 1, for “competent authorities of each Member State” substitute “regulatory authority and the Secretary of State”.
- (3) In paragraph 2, omit “or, if applicable, the Member State”.
- 8.** Omit Article 9.
- 9.—**(1) Article 10 (confidentiality obligations) is amended as follows.

- (2) In paragraph 2—
  - (a) after “shall apply to” insert “the regulatory authority and to”;
  - (b) for “any persons” substitute “any other persons”;
  - (c) omit “, regulatory authorities or entities”.
- (3) In paragraph 3—
  - (a) after “received by” insert “the regulatory authority or by”;
  - (b) omit “, regulatory authorities or entities”;
  - (c) for the words after “national law,” substitute “including the other provisions of this Regulation.”.
- (4) In paragraph 4—
  - (a) omit “or Union”;
  - (b) for “regulatory authorities, entities or” substitute “the regulatory authority or other”.
10. In Article 12 (rate-of-change-of-frequency withstand capability), for “2,5” (in both places it occurs) substitute “2.5”.
11. In Article 13 (active power controllability, control range and ramping rate), in paragraph 3, omit “national”.
12. In Article 18 (voltage ranges), omit paragraph 5.
13. In Article 20 (reactive power capability), in paragraph 2, in point (b) for “each” substitute “the Great Britain”.
14. In Article 22 (reactive power control mode), in paragraph 3, in point (c)(i), for “0,1” substitute “0.1”.
15. In Article 29 (interaction between HVDC systems or other plants and equipment), in paragraph 2, for “Member States” substitute “The regulatory authority”.
16. In Article 31 (subsynchronous torsional interaction damping capability), in paragraph 2, for “Member States” substitute “The regulatory authority”.
17. In Article 39 (frequency stability requirements), in paragraph 1, in point (a), for “0,1” substitute “0.1”.
18. In Article 40 (reactive power and voltage requirements), in paragraph 2, in point (b)(i)—
  - (a) omit the words from “the Ten-Year” to “Regulation (EC) No 714/2009 or”;
  - (b) for “Article 22 of Directive 2009/72/EC” substitute “the requirements of the relevant TSO’s licence”.
19. In Article 57 (ION for HVDC systems), in paragraph 4, omit “national”.
20. In Article 62 (ION for DC-connected power park modules), in paragraph 4, omit “national”.
- 21.—(1) Article 65 (identification of costs and benefits of application of requirements to existing HVDC systems or DC-connected power park modules) is amended as follows.
  - (2) In paragraph 3, in point (b), omit “or where applicable the Member State”.
  - (3) In paragraph 4 omit “or, where applicable, the Member State.”.
  - (4) In paragraph 5, omit “or, where applicable, the Member State”.
22. In Article 66 (principles of cost-benefit analysis), in paragraph 2, in point (c), for “the internal market in electricity” substitute “electricity markets”.

**23.** In Article 68 (common provisions on compliance simulation), in paragraph 2, in point (a), for “with national legislation” substitute “another enactment, or a licence or industry code”.

**24.** In Article 71 (compliance testing for HVDC systems), in paragraph 3, in point (c)(ii), for “0,01” substitute “0.01”.

**25.** In Article 72 (compliance testing for DC-connected power park modules etc.), in paragraph 4, in point (c)(ii), for “0,01” substitute “0.01”.

**26.** In Title 6, omit Chapter 4.

**27.—**(1) Article 77 (power to grant derogations) is amended as follows.

(2) In paragraph 1, for “Regulatory authorities” substitute “The regulatory authority”.

(3) Omit paragraph 2.

**28.—**(1) Article 78 (general provisions) is amended as follows.

(2) For paragraph 1 substitute—

“1. “Subject to paragraph 2, the regulatory authority’s published criteria for granting derogations pursuant to Articles 79 to 81 which applied immediately before IP completion day continue to apply on and after IP completion day, and the regulatory authority must continue to publish those criteria (including any subsequent amendments) on its website.”.

(3) In paragraph 2, for “in accordance with paragraph 1” substitute “after consulting relevant system operators, power generating facility owners and other stakeholders who it considers may be affected by this Regulation”.

**29.—**(1) Article 79 (request for derogations by an HVDC system owner or DC-connected power park module owner) is amended as follows.

(2) In paragraph 11—

(a) for “A regulatory authority” substitute “The regulatory authority”;

(b) omit the words from “or upon” to the end.

**30.—**(1) Article 80 (request for a derogation by a relevant system operator or relevant TSO) is amended as follows.

(2) In paragraph 9—

(a) after “derogation,” insert “and”;

(b) omit “and the Agency”.

(3) In paragraph 10—

(a) for “Regulatory authorities” (in the first place it occurs) substitute “The regulatory authority”;

(b) for “regulatory authorities” (in the second place it occurs) substitute “the regulatory authority”;

(c) omit “at the national level”.

(4) In paragraph 11—

(a) for “A regulatory authority” substitute “The regulatory authority”;

(b) omit the words from “or upon” to the end.

**31.** In Article 82 (register of derogations from the requirements of this Regulation), for paragraph 1 substitute—



“1. The regulatory authority must maintain a register of all derogations it has granted or refused.”.

**32.**—(1) Article 84 (amendment of contracts and general terms and conditions) is amended as follows.

(2) In paragraph 1, for “Regulatory authorities” substitute “The regulatory authority”.

(3) In paragraph 2, omit “or Member State”.

(4) In paragraph 3—

(a) for “Regulatory authorities” substitute “The regulatory authority”;

(b) omit “national” (in the first place it occurs);

(c) for “national network codes” substitute “industry codes”.

**33.** In Article 85 (HVDC System or DC-connected power park modules connecting with synchronous areas or control areas not bound by EU legislation), in paragraph 1, for “application of Union legislation” substitute “this Regulation”.

**34.** In the text after Article 86, omit “This Regulation shall be binding in its entirety and directly applicable in all Member States.”.

**35.** In Annex 1, in Table 1—

(a) for “47,0” substitute “47.0”;

(b) for “47,5” (in both places it occurs) substitute “47.5”;

(c) for “48,5” (in both places it occurs) substitute “48.5”;

(d) for “49,0” (in both places it occurs) substitute “49.0”;

(e) for “51,0” (in both places it occurs) substitute “51.0”;

(f) for “51,5” (in both places it occurs) substitute “51.5”;

(g) for “52,0” substitute “52.0”.

**36.**—(1) Annex 2 is amended as follows.

(2) In section A, in paragraph 1—

(a) in point (a), omit “national”;

(b) in point (b), in Table 2, for “0,1” (in both places where it occurs) substitute “0.1”;

(c) in point (c), omit “national”;

(d) in point (d)—

(i) in paragraph (ii), omit “national”;

(ii) in Figure 2, for “0,5” substitute “0.5”;

(iii) in Table 3, for “0,5” substitute “0.5”.

(3) In section B—

(a) in paragraph 1, in point (a)—

(i) for “50,2” substitute “50.2”;

(ii) for “50,5” substitute “50.5”;

(iii) for “0,1” substitute “0.1”;

(b) in paragraph 1, in point (c), omit “national”;

(c) in paragraph 2, omit “national”.

(4) In section C—

- (a) in paragraph 1—
  - (i) for “49,8” substitute “49.8”;
  - (ii) for “49,5” substitute “49.5”;
  - (iii) for “0,1” substitute “0.1”;
  - (iv) omit “national”;
- (b) in paragraph 2, omit “national”.

**37.**—(1) Annex 3 is amended as follows.

(2) In Table 4—

- (a) omit the rows relating to Continental Europe;
- (b) omit the rows relating to Nordic;
- (c) in the rows relating to Great Britain—
  - (i) for “0,90” substitute “0.90”;
  - (ii) for “1,10” substitute “1.10”;
- (d) omit the row relating to Ireland and Northern Ireland;
- (e) omit the rows relating to Baltic.

(3) In Table 5—

- (a) omit the rows relating to Continental Europe;
- (b) omit the rows relating to Nordic;
- (c) in the rows relating to Great Britain—
  - (i) for “0,90” substitute “0.90”;
  - (ii) for “1,05” (in both places it occurs) substitute “1.05”;
  - (iii) for “1,10” substitute “1.10”;
- (d) omit the row relating to Ireland and Northern Ireland;
- (e) omit the rows relating to Baltic.

**38.**—(1) Annex 4 is amended as follows.

(2) In Figure 5—

- (a) for “1,15” substitute “1.15”;
- (b) for “1,1” substitute “1.1”;
- (c) for “1,0” substitute “1.0”;
- (d) for “0,9” substitute “0.9”;
- (e) for “0,85” substitute “0.85”;
- (f) for “0,8” substitute “0.8”;
- (g) for “-0,6” substitute “-0.6”;
- (h) for “-0,5” substitute “-0.5”;
- (i) for “-0,4” substitute “-0.4”;
- (j) for “-0,3” substitute “-0.3”;
- (k) for “-0,2” substitute “-0.2”;
- (l) for “-0,1” substitute “-0.1”;
- (m) for “0,1” substitute “0.1”;

- (n) for “0,2” substitute “0.2”;
  - (o) for “0,3” substitute “0.3”;
  - (p) for “0,4” substitute “0.4”;
  - (q) for “0,5” substitute “0.5”;
  - (r) for “0,6” substitute “0.6”;
  - (s) for “0,65” substitute “0.65”;
  - (t) for “0,7” substitute “0.7”.
- (3) in Table 6—
- (a) omit the row relating to Continental Europe;
  - (b) omit the row relating to Nordic;
  - (c) in the row relating to Great Britain—
    - (i) for “0,95” substitute “0.95”;
    - (ii) for “0,225” substitute “0.225”;
  - (d) omit the row relating to Ireland and Northern Ireland;
  - (e) omit the row relating to Baltic States.
- (4) In Annex 5, in Table 7—
- (a) for “0,00” substitute “0.00”;
  - (b) for “0,30” substitute “0.30”;
  - (c) for “0,14” substitute “0.14”;
  - (d) for “0,25” (in both places it occurs) substitute “0.25”;
  - (e) for “0,85” (in both places it occurs) substitute “0.85”;
  - (f) for “1,5” substitute “1.5”;
  - (g) for “2,5” substitute “2.5”;
  - (h) for “0,90” substitute “0.90”;
  - (i) for “10,0” substitute “10.0”.
- 39.** In Annex 6, in Table 8—
- (a) for “47,0” substitute “47.0”;
  - (b) for “47,5” (in both places it occurs) substitute “47.5”;
  - (c) for “49,0” (in both places it occurs) substitute “49.0”;
  - (d) for “51,0” (in both places it occurs) substitute “51.0”;
  - (e) for “51,5” (in both places it occurs) substitute “51.5”;
  - (f) for “52,0” substitute “52.0”.
- 40.**—(1) Annex 7 is amended as follows.
- (2) In Table 9—
- (a) for “0,85” substitute “0.85”;
  - (b) for “0,90” (in both places it occurs) substitute “0.90”;
  - (c) for “1,10” (in both places it occurs) substitute “1.10”;
  - (d) for “1,118” (in both places it occurs) substitute “1.118”;
  - (e) for “1,15” substitute “1.15”.

- (3) In Table 10—
- (a) for “0,85” substitute “0.85”;
  - (b) for “0,90” (in both places it occurs) substitute “0.90”;
  - (c) for “1,05” (in both places it occurs) substitute “1.05”;
  - (d) for “1,15” substitute “1.15”.
- (4) In Figure 7—
- (a) for “1,15” substitute “1.15”;
  - (b) for “1,1” substitute “1.1”;
  - (c) for “1,0” substitute “1.0”;
  - (d) for “0,9” substitute “0.9”;
  - (e) for “0,85” substitute “0.85”;
  - (f) for “0,8” substitute “0.8”;
  - (g) for “-0,6” substitute “-0.6”;
  - (h) for “-0,5” substitute “-0.5”;
  - (i) for “-0,4” substitute “-0.4”;
  - (j) for “-0,3” substitute “-0.3”;
  - (k) for “-0,2” substitute “-0.2”;
  - (l) for “-0,1” substitute “-0.1”;
  - (m) for “0,1” substitute “0.1”;
  - (n) for “0,2” substitute “0.2”;
  - (o) for “0,3” substitute “0.3”;
  - (p) for “0,4” substitute “0.4”;
  - (q) for “0,5” substitute “0.5”;
  - (r) for “0,6” substitute “0.6”;
  - (s) for “0,65” substitute “0.65”;
  - (t) for “0,7” substitute “0.7”.
- (5) In Table 11—
- (a) for “0,95” substitute “0.95”;
  - (b) for “0,1” substitute “0.1”;
  - (c) for “0,225” substitute “0.225”.

**41.**—(1) Annex 8 is amended as follows.

- (2) In Table 12—
- (a) for “0,85” substitute “0.85”;
  - (b) for “0,90” (in both places it occurs) substitute “0.90”;
  - (c) for “1,10” (in both places it occurs) substitute “1.10”;
  - (d) for “1,12” (in both places it occurs) substitute “1.12”;
  - (e) for “1,15” substitute “1.15”.
- (3) In Table 13—
- (a) for “0,85” substitute “0.85”;

- (b) for “0,90” (in both places it occurs) substitute “0.90”;
  - (c) for “1,05” (in both places it occurs) substitute “1.05”;
  - (d) for “1,15” substitute “1.15”.
- (4) In Table 14—
- (a) for “0,95” substitute “0.95”;
  - (b) for “0,225” substitute “0.225”.

## SCHEDULE 4

Regulation 7

### Amendments to Regulation (EU) 2019/943

1.—(1) Article 1 (subject matter and scope) is amended as follows.

(2) Omit point (a).

(3) In point (c), for the words from “, thus” to the end substitute “. This involves setting the principles on cross-border transmission charges and the allocation of available capacity of interconnections between the transmission systems of Great Britain and the transmission systems of other countries or territories;”.

(4) In point (d), omit the words from “, and provide” to the end.

2. For Article 2 (definitions) substitute—

#### *“Article 2*

#### *Definitions*

In this Regulation—

“active customer” means a final customer, or a group of jointly acting final customers, who consumes or stores electricity generated within its premises located within confined boundaries or, where permitted by the regulatory authority, within other premises, or who sells self-generated electricity or participates in flexibility or energy efficiency schemes, provided that those activities do not constitute its primary commercial or professional activity;

“aggregation” means the function of combining multiple customer loads or generated electricity for sale, purchase or auction in any electricity market;

“ancillary service” means a service necessary for the operation of a transmission or distribution system, including balancing and non-frequency ancillary services, but not including congestion management;

“balance responsible party” means a market participant or its chosen representative responsible for its imbalances in the electricity market;

“balancing” means all actions and processes, in all timelines, through which transmission system operators ensure, in an ongoing manner, maintenance of the system frequency within a predefined stability range and compliance with the amount of reserves needed with respect to the required quality;

“balancing capacity” means a volume of capacity that a balancing service provider has agreed to hold and in respect of which the balancing service provider has agreed to submit bids for a corresponding volume of balancing energy to the transmission system operator for the duration of the contract;

“balancing energy” means energy used by transmission system operators to carry out balancing;

“balancing service provider” means a market participant providing either or both balancing energy and balancing capacity to transmission system operators;

“bidding zone” means the largest geographical area within which market participants are able to exchange energy without capacity allocation;

“capacity allocation” means the attribution of cross-zonal capacity;

“capacity mechanism” means a temporary measure to ensure the achievement of the necessary level of resource adequacy by remunerating resources for their availability, excluding measures relating to ancillary services or congestion management;

“central dispatching model” means a scheduling and dispatching model where the generation schedules and consumption schedules as well as dispatching of power-generating facilities and demand facilities, in reference to dispatchable facilities, are determined by a transmission system operator within an integrated scheduling process;

“the competition authority” means the Competition and Markets Authority;

“congestion” means a situation in which an interconnection linking the Great Britain transmission network with the transmission network of another country or territory cannot accommodate all physical flows resulting from international trade required by market participants, because of a lack of capacity of the interconnectors or the transmission systems concerned;

“control area” means a coherent part of the interconnected system, operated by a single system operator and includes connected physical loads and/or generation units if any;

“countertrading” means a cross-zonal exchange initiated by system operators between two bidding zones to relieve physical congestion;

“cross-zonal capacity” means the capability of the interconnected system to accommodate energy transfer between bidding zones;

“customer” means a wholesale or final customer of electricity;

“delegated operator” means an entity to whom specific tasks or obligations entrusted to a transmission system operator under this Regulation have been delegated by that transmission system operator or have been assigned by the Secretary of State or the regulatory authority;

“demand response” means the change of electricity load by final customers from their normal or current consumption patterns in response to market signals, including in response to time-variable electricity prices or incentive payments, or in response to the acceptance of the final customer’s bid to sell demand reduction or increase at a price in an organised market as defined in point (4) of Article 2 of Commission Implementing Regulation (EU) No 1348/2014, whether alone or through aggregation;

“demonstration project” means a project which demonstrates a technology as a first of its kind in Great Britain and represents a significant innovation that goes well beyond the state of the art;

“distributed generation” means generating installations connected to the distribution system;

“distribution” means the transport of electricity on high-voltage, medium-voltage and low-voltage distribution systems with a view to its delivery to customers but does not include supply;

“distribution system operator” or “DSO” means a person responsible for operating, ensuring the maintenance of and, if necessary, developing the distribution system in a given area and,

where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of electricity;

“electricity derivative” means a financial instrument specified in point (5), (6) or (7) of Section C of Annex I to [Directive 2014/65/EU](#) of the European Parliament and of the Council, where that instrument relates to electricity;

“electricity markets” means markets for electricity, including over-the-counter markets and electricity exchanges, markets for the trading of energy, capacity, balancing and ancillary services in all timeframes, including forward, day-ahead and intraday markets;

“electricity supply contract” means a contract for the supply of electricity, but does not include electricity derivatives;

“energy efficiency” means the ratio of output of performance, service, goods or energy, to input of energy;

“energy storage” means, in relation to the electricity system, deferring the final use of electricity to a moment later than when it was generated, or the conversion of electrical energy into a form of energy which can be stored, the storing of such energy, and the subsequent reconversion of such energy into electrical energy or use as another energy carrier;

“final customer” means a customer purchasing electricity for the customer’s own use;

“generation” means the production of electricity;

“generation unit” means a single electricity generator belonging to a production unit;

“high-efficiency cogeneration” means cogeneration which meets the criteria laid down in Annex 2 to [Directive 2012/27/EU](#) of the European Parliament and of the Council;

“imbalance price” means the price, be it positive, zero or negative, in each imbalance settlement period for an imbalance in each direction;

“imbalance price area” means the area in which an imbalance price is calculated;

“imbalance settlement period” means the time unit for which the imbalance of the balance responsible parties is calculated;

“interconnected system” means a number of transmission and distribution systems linked together by means of one or more interconnectors;

“interconnector” means a transmission line which crosses or spans a border between Great Britain and another country or territory, and which connects the national transmission system of Great Britain with the transmission system of that other country or territory;

“interoperability” means, in the context of smart metering, the ability of two or more energy or communication networks, systems, devices, applications or components to interwork to exchange and use information in order to perform required functions;

“the jurisdiction of Great Britain” has the meaning given in section 4(3F)(a) of the Electricity Act 1989(9);

“market operator” means an entity that provides a service whereby the offers to sell electricity are matched with bids to buy electricity;

“market participant” means a person who buys, sells or generates electricity, who is engaged in aggregation or who is an operator of demand response or energy storage services, including through the placing of orders to trade, in one or more electricity markets, including in balancing energy markets;

“new interconnector” means an interconnector not completed by 4th August 2003;

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(9) 1989 c. 29. Section 4(3F) was inserted by section 145(3) of the Energy Act 2004 (c. 20).

“non-frequency ancillary service” means a service used by a transmission system operator or distribution system operator for steady state voltage control, fast reactive current injections, inertia for local grid stability, short-circuit current, black start capability and island operation capability;

“power-generating facility” means a facility that converts primary energy into electrical energy and which consists of one or more power-generating modules connected to a network;

“prequalification process” means the process to verify the compliance of a provider of balancing capacity with the requirements set by the transmission system operators;

“priority dispatch” means—

- (a) with regard to the self-dispatch model, the dispatch of power plants on the basis of criteria which are different from the economic order of bids;
- (b) with regard to the central dispatch model, the dispatch of power plants on the basis of criteria which are different from the economic order of bids and from network constraints, giving priority to the dispatch of particular generation technologies;

“producer” means a person generating electricity;

“redispatching” means a measure, including curtailment, that is activated by one or more transmission system operators by altering the generation, load pattern, or both, in order to change physical flows in the electricity system and relieve a physical congestion or otherwise ensure system security;

“the regulatory authority” means the Gas and Electricity Markets Authority;

“renewable energy” means energy from renewable non-fossil fuel sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, landfill gas, sewage treatment plant gas, and biogas;

“reserve capacity” means the amount of frequency containment reserves, frequency restoration reserves or replacement reserves that needs to be available to the transmission system operator;

“self-dispatch model” means a scheduling and dispatching model where the generation schedules and consumption schedules as well as dispatching of power-generating facilities and demand facilities are determined by the scheduling agents of those facilities;

“small connected system” means any system that had consumption of less than 3,000 GWh in the year 1996, where more than 5% of annual consumption is obtained through interconnection with other systems;

“small enterprise” means an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £9 million;

“small isolated system” means any system that had consumption of less than 3,000 GWh in the year 1996, where less than 5% of annual consumption is obtained through interconnection with other systems;

“smart metering system” means an electronic system that is capable of measuring electricity fed into the grid or electricity consumed from the grid, providing more information than a conventional meter, and that is capable of transmitting and receiving data for information, monitoring and control purposes, using a form of electronic communication;

“specific balancing product” means a balancing product which is not a standard balancing product;

“standard balancing product” means a harmonised balancing product defined by all transmission system operators for the exchange of balancing services;



“structural congestion” means congestion in the transmission system that is capable of being unambiguously defined, is predictable, is geographically stable over time, and frequently reoccurs under normal electricity system conditions;

“supply” means the sale, including the resale, of electricity to customers;

“system user” means a person supplying to, or being supplied by, a transmission or distribution system;

“transmission” means the transport of electricity on the extra high-voltage and high-voltage interconnected system with a view to its delivery to final customers or to distributors, but does not include supply;

“transmission system operator” or “TSO” means a person who is designated as an electricity transmission system operator under section 10H of the Electricity Act 1989<sup>(10)</sup>;

“value of lost load” means an estimation in sterling/MWh, of the maximum electricity price that customers are willing to pay to avoid an outage;

“wholesale customer” means a person who purchases electricity for the purpose of resale inside or outside the system where the person is established.”.

**3.**—(1) Article 3 (principles regarding the operation of electricity markets) is amended as follows.

(2) In the words before point (a), for the words from “Member States” to “delegated operators” substitute “The Secretary of State, the regulatory authority, transmission system operator, distribution system operator, market operator and delegated operator”.

(3) In point (e), omit “Union”.

(4) Omit points (h) and (i).

(5) In point (j), for “the Union” substitute “retained EU”.

(6) In point (o), omit “Union”.

(7) In point (p), for “the Union” substitute “Great Britain”.

**4.** Omit Article 4.

**5.**—(1) Article 5 (balance responsibility) is amended as follows.

(2) In paragraph 2, for “Member States” in both places it occurs substitute “The Secretary of State”.

(3) In paragraph 3, for “a Member State” substitute “the Secretary of State”.

**6.**—(1) Article 6 (balancing market) is amended as follows.

(2) In paragraph 2, omit “in accordance with Article 40(4) of Directive (EU) 2019/944”.

(3) In paragraph 3, omit “in accordance with Article 17”.

(4) In paragraph 4—

(a) in subparagraph 1, for “all regulatory authorities approve” substitute “the regulatory authority approves”;

(b) omit subparagraph 3.

(5) In paragraph 7, omit “and shall be facilitated at regional level”.

(6) In paragraph 8, omit “in accordance with Article 40(4) of Directive (EU) 2019/944”.

(7) In paragraph 12—

(a) for “regulatory authorities” substitute “the transmission system operator”;

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<sup>(10)</sup> Section 10H was inserted by [S.I. 2011/2704](#). Section 10H was amended by [S.I. 2019/530](#).

- (b) for “Commission and ACER” substitute “regulatory authority”.
  - (8) In paragraph 14, in the first subparagraph, for “authorities” substitute “authority”.
- 7.**—(1) Article 7 (day-ahead and intraday markets) is amended as follows.
- (2) For paragraph 1 substitute—
    - “**1.** Transmission system operators must organise the management of the day-ahead and intraday markets. Transmission system operators must cooperate, so far as possible, at a regional level in order to maximise the efficiency and effectiveness of electricity day-ahead and intraday trading. The obligation to cooperate is without prejudice to the application of competition law. In their functions relating to electricity trading, transmission system operators are to be subject to regulatory oversight by the regulatory authority.”.
  - (3) In paragraph 2—
    - (a) omit point (c);
    - (b) in point (f), at the end insert “and”;
    - (c) omit point (g), and the “and” at the end.
- 8.**—(1) Article 8 (trade on day-ahead and intraday markets) is amended as follows.
- (2) Omit paragraphs 1 to 3.
  - (3) In paragraph 4, for “regulatory authorities have” substitute “the regulatory authority has”.
- 9.**—(1) Article 9 (forward markets) is amended as follows.
- (2) In paragraph 1—
    - (a) omit “In accordance with Regulation (EU) 2016/1719,”;
    - (b) for “competent regulatory authorities” substitute “regulatory authority”.
  - (3) In paragraph 2, for “a single” substitute “an”.
  - (4) In paragraph 3—
    - (a) in the first sentence, omit “Union”;
    - (b) in the second sentence—
      - (i) for “Member States” substitute “The regulatory authority”;
      - (ii) omit “Member State or”.
- 10.**—(1) Article 10 (technical bidding limits) is amended as follows.
- (2) In paragraph 1, omit the words from “, without prejudice” to the end.
  - (3) Omit paragraph 2.
  - (4) In paragraph 4, for the words from “Regulatory authorities” to “competent authorities,” substitute “The regulatory authority”.
  - (5) In paragraph 5—
    - (a) in the first sentence, for “a regulatory authority or designated competent authority” substitute “the regulatory authority”;
    - (b) omit the second sentence.
- 11.**—(1) Article 11 (value of lost load) is amended as follows.
- (2) For paragraph 1 substitute—

“1. Where required for the purpose of setting a reliability standard in accordance with Article 25, the relevant authority must determine a single estimate of the value of lost load for Great Britain. That estimate must be made publicly available. The relevant authority may determine different estimates per bidding zone if there is more than one bidding zone in Great Britain. Where a bidding zone consists of more than one control area, the relevant authority must determine a single estimate of the value of lost load for that bidding zone.”.

- (3) In paragraph 2—
- (a) for “Regulatory authorities and designated competent authorities” substitute “The relevant authority”;
  - (b) for “their” substitute “its”;
  - (c) for “they” substitute “it”;
  - (d) for “observe” substitute “observes”.
- (4) After paragraph 2, insert—

“3. In this Article, “relevant authority” means the Secretary of State or the regulatory authority.”.

**12.**—(1) Article 12 (dispatching of generation and demand response) is amended as follows.

- (2) In paragraph 2, for “Member States” substitute “the regulatory authority”.
- (3) In paragraph 3—
- (a) in the first subparagraph, in the opening words, for “A Member State” substitute “The regulatory authority”;
  - (b) omit points (c) to (e);
  - (c) in the second subparagraph, for “a Member State” substitute “the regulatory authority”;
  - (d) in the third subparagraph, for “Member States” substitute “the regulatory authority”.
- (4) In paragraph 4, for “Member States” substitute “the regulatory authority”.
- (5) In paragraph 7, omit the words from “, shall not be used” to the end.

**13.**—(1) Article 13 (redispatching) is amended as follows.

- (2) In paragraph 1, in the second sentence, omit the words from “, including those” to the end.
- (3) In paragraph 3—
- (a) in point (b), after “used;” insert “or”;
  - (b) in point (c), after “located” omit “; or”;
  - (c) omit point (d).
- (4) In paragraph 4—
- (a) in the first subparagraph, in the words before point (a), for “competent regulatory authority” substitute “regulatory authority”;
  - (b) omit the second subparagraph.
- (5) In paragraph 5—
- (a) in the words before point (a), for “authorities” substitute “authority”;
  - (b) in point (a), for “a Member State” substitute “the regulatory authority”.
- (6) In paragraph 6, in point (d), for “paragraph 3” substitute “paragraph 4”.

**14.** Omit Articles 14 and 15.

**15.—**(1) Article 16 (general principles of capacity allocation and congestion management) is amended as follows.

- (2) In paragraph 1—
  - (a) for “shall take into account” substitute “must consider, so far as possible,”;
  - (b) omit “as provided for in Regulation (EU) 2015/1222”.
- (3) Omit paragraph 3.
- (4) In paragraph 4, omit the words from “to reach the minimum capacity” to the end.
- (5) In paragraph 5, omit the final sentence.
- (6) Omit paragraph 8.
- (7) In paragraph 9—
  - (a) omit the first and second subparagraphs;
  - (b) in the third subparagraph, in the first sentence, omit “relevant”.
- (8) In paragraph 12—
  - (a) in the first sentence, omit “or NEMOs”;
  - (b) in the final sentence, omit “relevant”.
- (9) In paragraph 13—
  - (a) in the first subparagraph—
    - (i) for “regulatory authorities” substitute “the regulatory authority”;
    - (ii) omit “the congestion between two bidding zones”;
    - (iii) after “observed” insert “congestion”.
  - (b) omit the second subparagraph.

**16.** Omit Article 17.

**17.—**(1) Article 18 (charges for access to networks, use of networks and reinforcement) is amended as follows.

- (2) In paragraph 3, omit “at Union level”.
- (3) In paragraph 4, omit point (a).
- (4) In paragraph 7, in the final sentence—
  - (a) for “Member States have implemented the deployment of smart metering systems, regulatory authorities” substitute “smart metering systems have been deployed, the regulatory authority”;
  - (b) omit “in accordance with Article 59 of (EU) 2019/944”.
- (5) After paragraph 8, insert—

“**8A.** The references to Article 15(1) and (6) of [Directive 2012/27/EU](#) of the second subparagraph of paragraph 1 are to be treated as references to those provisions with the following modifications—

- (a) Article 15(1), subparagraph 1 is to be read as if—
  - (i) for “Member States” there were substituted “the Secretary of State”;
  - (ii) for “national energy regulatory authorities” there were substituted “the regulatory authority”;
  - (iii) for “Directives [2009/72/EC](#) and [2009/73/EC](#) regarding their” there were substituted “retained EU law regarding its”;

- (b) Article 15(1), subparagraph 2 is to be read as if—
    - (i) for “Member States” there were substituted “the Secretary of State”;
    - (ii) for “national energy regulatory authorities” there were substituted “the regulatory authority”;
    - (iii) for “[Directive 2009/72/EC](#)” there were substituted “retained EU law”;
  - (c) Article 15(1), subparagraph 4 is to be read as if—
    - (i) for “Member States” there were substituted “the Secretary of State”;
    - (ii) for “[Regulation \(EC\) No 714/2009](#)” there were substituted “[Regulation \(EU\) 2019/943](#)”;
  - (d) Article 15(6) is to be read as if for “Member States” (in both places it occurs) there were substituted “the Secretary of State”;
  - (e) A reference to “the regulatory authority” in Article 15(1) as modified by this Article has the meaning given in Article 2 of this Regulation.”.
- (6) Omit paragraphs 9 and 10.
- 18.**—(1) Article 19 (congestion income) is amended as follows.
- (2) In paragraph 1, for “authorities” substitute “authority”.
  - (3) In paragraph 3, for “authorities” substitute “authority”.
  - (4) In paragraph 4—
    - (a) in the first subparagraph—
      - (i) for “regulatory authorities” substitute “the regulatory authority”;
      - (ii) for “ACER” substitute “the regulatory authority”;
      - (iii) omit the final sentence;
    - (b) omit the second subparagraph.
  - (5) In paragraph 5—
    - (a) in the first sentence, for “authorities” substitute “authority”;
    - (b) in the second sentence, for “authorities shall inform ACER and” substitute “authority”.
- 19.**—(1) Article 20 is amended as follows.
- (2) In the heading, omit “in the internal market for electricity”.
  - (3) In paragraph 1—
    - (a) omit the first sentence;
    - (b) in the second sentence—
      - (i) for “For the purpose of complementing the European resource adequacy assessment, Member States may also” substitute “The Secretary of State may”;
      - (ii) for “national” substitute “a”;
      - (iii) for “assessments” substitute “assessment”.
  - (4) In paragraph 2—
    - (a) for “the European resource adequacy assessment referred to in Article 23 or national” substitute “a”;
    - (b) for “Member State concerned” substitute “Secretary of State”.
  - (5) In paragraph 3—

- (a) in the first sentence, for “Member States with identified resource adequacy concerns” substitute “Where a resource adequacy assessment has identified a resource adequacy concern, the Secretary of State”;
  - (b) in the second sentence, for “Member States” substitute “Secretary of State”;
  - (c) omit point (d);
  - (d) at the end of point (f), for “;” substitute “.”;
  - (e) omit point (g).
- (6) Omit paragraphs 4 and 5.
- (7) In paragraph 6—
- (a) for “Member States concerned” substitute “Secretary of State ”;
  - (b) omit the words “and shall submit” to the end.
- (8) Omit paragraph 7.
- (9) In paragraph 8, for “Member States” substitute “The Secretary of State ”.
- 20.**—(1) Article 21 (general principles for capacity mechanisms) is amended as follows.
- (2) In paragraph 1—
- (a) for “Member States” substitute “the Secretary of State”;
  - (b) after “introduce” insert “a”;
  - (c) for “mechanisms” substitute “mechanism”.
- (3) Omit paragraph 2.
- (4) In paragraph 3—
- (a) in the first sentence, for “Member States” substitute “The Secretary of State ”;
  - (b) in the second sentence, for “Member States” substitute “the Secretary of State”;
- (5) In paragraph 4—
- (a) for “Member States” substitute “The Secretary of State ”;
  - (b) for “capacity mechanisms” substitute “a capacity mechanism”;
  - (c) for “both the European resource adequacy assessment and the national” substitute “any”;
  - (d) for “, or in the absence of a national resource adequacy assessment, the European resource adequacy assessment” substitute “has”.
- (6) Omit paragraph 5.
- (7) In paragraph 6—
- (a) for “Where a Member State applies a capacity mechanism, it” substitute “The Secretary of State”;
  - (b) for “that” in the first place it occurs substitute “the”;
  - (c) for “both the European resource adequacy assessment and the national” substitute “the”;
  - (d) for “, or in the absence of a national resource adequacy assessment, the European resource adequacy assessment have” substitute “has”;
  - (e) omit the words “or the implementation plan” to the end.
- (8) In paragraph 7, for “Member States” substitute “the Secretary of State ”.
- (9) In paragraph 8—
- (a) for “. They shall be approved by the Commission” substitute “and shall be approved”;

(b) in the last sentence, for “Member States” substitute “The Secretary of State”.

**21.**—(1) Article 22 (design principles for capacity mechanisms) is amended as follows.

(2) In paragraph 1, in point (b), omit “and not limit cross-zonal trade”.

(3) In paragraph 4, omit the words “By 5 January 2020” to the end.

(4) In paragraph 5, for “Member States that apply capacity mechanisms on 4 July 2019 shall adapt their mechanisms” substitute “The Secretary of State must adapt the capacity mechanism that was applied on 4 July 2019”.

**22.**—(1) Article 23 is amended as follows.

(2) In the heading, for “European” substitute “Methodology for”.

(3) Omit paragraphs 1 to 4.

(4) In paragraph 5—

(a) in the first sentence —

(i) omit “European”;

(ii) after “resource adequacy assessment” insert “must cover the territory of Great Britain and”;

(b) omit point (a);

(c) in point (c), for “the different types of capacity mechanisms are” substitute “a capacity mechanism is”.

(5) Omit paragraphs 6 and 7.

**23.**—(1) Article 24 is amended as follows.

(2) In the heading, omit “National”.

(3) In paragraph 1—

(a) in the first subparagraph—

(i) for “shall” in the first place it occurs, substitute “may”;

(ii) omit “referred in Article 23(3) in particular”;

(iii) omit the words “National resource adequacy assessments shall contain” to the end of the paragraph.

(4) In paragraph 2—

(a) omit “National”;

(b) omit “and, where applicable, the European resource adequacy assessment and the opinion of ACER pursuant to paragraph 3”.

(5) Omit paragraph 3.

**24.**—(1) Article 25 (reliability standard) is amended as follows.

(2) In paragraph 1—

(a) for “When applying capacity mechanisms Member States” substitute “The capacity mechanism”;

(b) in the second sentence, omit “of the Member State”;

(c) omit the final sentence.

(3) For paragraph 2, substitute—

“2. The reliability standard shall be set by the Secretary of State in accordance with regulation 6 of the Electricity Capacity Regulations 2014(11).”.

(4) In paragraph 4, for the words “Member State or” to the end substitute “the Secretary of State”.

25. Omit Articles 26 to 49.

26.—(1) Article 50 (provision of information) is amended as follows.

(2) In paragraph 2, for “authorities” substitute “authority”.

(3) In paragraph 6, for “, national competition authority and the Commission” substitute “and the competition authority”.

(4) In paragraph 7—

(a) in the second sentence, for “authorities, and to the Commission and Member States” substitute “authority and the Secretary of State”.

(b) in the final sentence, for “authorities, Member States and the Commission” substitute “authority and the Secretary of State”.

27. Omit Articles 51 to 56.

28.—(1) Omit Articles 58 and 59.

(2) A network code adopted by the Commission under—

(a) Article 6 of Regulation (EC) No 714/2009 before 1 January 2020, or

(b) Article 59 of this Regulation before IP completion day,

forms part of domestic law on and after IP completion day as it had effect in EU law immediately before IP completion day.

29. For Article 60 substitute—

*“Article 60*

*Amendments of network codes or guidelines*

1. In this Article—

“Regulation (EC) No 714/2009” means Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003;

“electricity network code or guideline” means—

(a) a network code adopted by the Commission under—

(i) Article 6 of Regulation (EC) No 714/2009 before 1 January 2020; or

(ii) Article 59 of this Regulation before IP completion day,

as those codes have effect in domestic law;

(b) guidelines adopted by the Commission under—

(i) Article 18 of Regulation (EC) No 714/2009 before 1 January 2020;

(ii) Article 61 of this Regulation before IP completion day,

as those guidelines have effect in domestic law.

(11) S.I. 2014/2043, amended by S.I. 2016/742; there are other amending instruments but none is relevant.



2. The Secretary of State may, by regulations, amend an electricity network code or guideline.

3. The power in paragraph 2 includes power to—

- (a) insert into the electricity network code or guideline new provision about the same subject-matter as, or subject-matter related to, an existing provision of the electricity network code or guideline; or
- (b) revoke the electricity network code or guideline or any provision of it, either with or without making replacement provision.

4. Regulations under paragraph 2 must be consistent with the objectives of contributing to non-discrimination, effective competition and the efficient functioning of the electricity market.

5. Regulations under paragraph 2 may—

- (a) include supplementary, incidental, consequential, transitional, transitory or saving provision; and
- (b) make different provision for different cases.

6. The power to make regulations conferred on the Secretary of State by paragraph 2 is exercisable by statutory instrument.

7. Before the Secretary of State makes regulations under paragraph 2, the Secretary of State must consult—

- (a) the regulatory authority;
- (b) persons who are certified, within the meaning of section 100 of the Electricity Act 1989<sup>(12)</sup>; and
- (c) such other persons as the Secretary of State considers appropriate.

8. A statutory instrument containing regulations under this Article may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”.

**30.**—(1) Omit Article 61.

(2) A guideline adopted by the Commission under—

- (a) Article 18 of Regulation (EC) No 714/2009 before 1 January 2020, or
- (b) Article 61 of this Regulation before IP completion day,

forms part of domestic law on and after IP completion day as it had effect in EU law immediately before IP completion day.

**31.** Omit Article 62.

**32.**—(1) Article 63 (new interconnectors) is amended as follows.

(2) In paragraph 1—

- (a) for the words from “Article 19(2) and (3)” to “Directive (EU) 2019/944” substitute “the provisions specified in paragraph 4A”;
- (b) in point (c), for “natural or legal person which” substitute “person who”;
- (c) in point (e), omit the words from “since” to “the Council,”;

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(12) 1989 c. 29. Section 100 was inserted by S.I. 2011/2704. Section 100 was amended by S.I. 2017/493 and S.I. 2019/530.

- (d) in point (f), for “internal market for electricity” substitute “electricity market in Great Britain”.
  - (3) In paragraph 4—
    - (a) in the first subparagraph, for “authorities of the Member States concerned” substitute “authority”;
    - (b) omit the second subparagraph;
    - (c) in the third subparagraph, for “regulatory authorities” substitute “the regulatory authority”;
    - (d) in the fourth subparagraph, for “regulatory authorities of the Member States concerned” substitute “regulatory authority”;
    - (e) omit the fifth subparagraph.
  - (4) After paragraph 4, insert—
    - “**4A.** The provisions specified for the purposes of paragraph 1 are the standard conditions of an interconnector licence granted under section 6(1)(e) of the Electricity Act 1989<sup>(13)</sup> relating to—
      - (a) the provision of third-party access to an interconnector;
      - (b) tariffs or charging methodologies for such access;
      - (c) use of revenues.”.
  - (5) Omit paragraphs 5 to 8.
  - (6) In paragraph 9—
    - (a) omit the first sentence;
    - (b) in the second sentence, for “8 shall apply to the decision” substitute “4A apply to the decision of the regulatory authority”.
  - (7) Omit paragraphs 10 and 11.
- 33.**—(1) Article 64 (derogations) is amended as follows.
- (2) In paragraph 1—
    - (a) for the first subparagraph substitute—
      - “**1.** The Secretary of State or regulatory authority, as appropriate, may grant a derogation from the relevant provisions of Articles 3, 6, 7(1), 8(4), 9 to 11, 16 and 19 to 25 provided that the Secretary of State or regulatory authority is satisfied that there are substantial problems for the operation of small isolated systems and small connected systems.”;
    - (b) in the second subparagraph—
      - (i) omit the words from “In the situation” to “subparagraph,”;
      - (ii) omit “internal”;
      - (iii) after “electricity” insert “in Great Britain”;
    - (c) omit the third and fourth subparagraphs;
    - (d) in the sixth subparagraph, for “Commission” substitute “Secretary of State”.
  - (3) Omit paragraphs 2, 3 and 4.
- 34.** Omit Articles 65 to 68.
- 35.** Omit Article 69.

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(13) 1989 c. 29; see section 8A for the incorporation of the standard conditions to an interconnector licence.

36. In Article 70 (repeal)—

- (a) omit the first sentence;
- (b) in the second sentence, for “the repealed Regulation” substitute “Regulation (EC) No 714/2009 in retained direct EU legislation”.

37. In the text after Article 71 omit “This Regulation shall be binding in its entirety and directly applicable in all Member States”.

38. Omit Annex 1.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations are made in order to address failures of retained direct EU legislation to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union.

Regulation 2 amends [S.I. 2019/532](#) to remove the definition of ‘regulatory authority’ in Regulation (EU) 2017/2195 as the same definition has been imported through Regulation (EU) 2019/943 as amended by these Regulations.

Regulation 3 amends S.I. 2019/533 to disapply some definitions of Regulation (EU) 2019/943 as amended by these Regulations as they apply in Regulation (EU) 2017/1485. Regulation 3 also amends Article 2 of Regulation (EU) 2017/1485 so that the definitions in Regulation (EU) 2016/631, Regulation (EU) 2016/1388 and Regulation (EU) 2016/1447 will continue to apply. As a consequence of this change, the definitions expressly applied through paragraph 4(5) of Schedule 2 to [S.I. 2019/533](#) have been removed.

Regulations 4, 5 and 6 introduce Schedules 1, 2 and 3 respectively, Commission Regulation (EU) 2016/631, Commission Regulation (EU) 2016/1388 and Commission Regulation (EU) 2016/1447. The amended Regulations are network codes relating to electricity and are tertiary legislation made by the European Commission.

Regulation 7, introduces Schedule 4, which amends Regulation (EU) 2019/943 on the internal market for electricity (recast).

Regulation 8 revokes Regulation (EU) 2019/942 establishing a European Union Agency for the Co-operation of Energy Regulators (recast).

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