

Draft Regulations laid before Parliament under sections 6(8) and 40(5) of the Energy Act 2013, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2022 No. 0000

ELECTRICITY

**The Electricity Supplier Payments
(Amendment) Regulations 2022**

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

The Secretary of State has before making these Regulations—

- (a) consulted the persons listed in sections 24(1)(a) to (g) and 40(2)(a) and (b) of the Energy Act 2013⁽¹⁾ (“the 2013 Act”) and such other persons as the Secretary of State considered it appropriate to consult; and
- (b) had regard to the matters in section 5(2) of the 2013 Act.

The Secretary of State, in exercise of the powers conferred by sections 6(1) and (6), 9(1) and (2), 27, 30, and 40(1) of the 2013 Act, makes the following Regulations.

In accordance with sections 6(8) and 40(5) of the 2013 Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1.—(1) These Regulations may be cited as the Electricity Supplier Payments (Amendment) Regulations 2022.

(2) These Regulations come into force on the day after the day on which these Regulations are made, except for regulation 2 which comes into force on 1st April 2022.

Amendment to the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014

2. In paragraph (7)(a) of regulation 23 of the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014⁽²⁾—

- (a) omit paragraph (i);

(1) 2013 c. 32.

(2) S.I. 2014/2014; relevant amending instruments are S.I. 2018/449 and S.I. 2021/235.

- (b) renumber paragraph (ii) as paragraph (i);
- (c) in paragraph (i) as so renumbered, omit “or during any subsequent operational cost period; and”; and
- (d) after paragraph (i) as so renumbered, insert—
 - “(ii) 0.0879 per megawatt hour for any day during the operational cost period that begins on 1st April 2022;
 - (iii) 0.0994 per megawatt hour for any day during the operational cost period that begins on 1st April 2023;
 - (iv) 0.1089 per megawatt hour for any day during the operational cost period that begins on 1st April 2024 or during any subsequent operational cost period; and”.

Amendments to the Electricity Capacity (Supplier Payment etc.) Regulations 2014

3.—(1) In paragraph (2) of regulation 9 of the Electricity Capacity (Supplier Payment etc.) Regulations 2014⁽³⁾ for “£7,472,000 where year Y is the relevant financial year commencing in 2021 or any subsequent financial year” substitute—

“as follows—

- (a) £6,954,000 where year Y is the relevant financial year commencing in 2022;
 - (b) £7,382,000 where year Y is the relevant financial year commencing in 2023;
 - (c) £7,734,000 where year Y is the relevant financial year commencing in 2024 or any subsequent financial year.”.
- (2) Paragraph (1) does not apply in respect of any financial year commencing before 2022.
- (3) In paragraph (2) “financial year” means a period of one year commencing with 1st April.

Date

Name
Minister for Business, Energy and Clean Growth
Department for Business, Energy and Industrial
Strategy

(3) [S.I. 2014/3354](#); relevant amending instruments are [S.I. 2018/449](#) and [S.I. 2021/235](#).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments to the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 (S.I. 2014/2014) (the “ESO Regulations”) and the Electricity Capacity (Supplier Payment etc.) Regulations 2014 (S.I. 2014/3354) (the “Supplier Payment Regulations”). Those Regulations impose an obligation on electricity suppliers to pay an “operational costs levy” (as per the ESO Regulations) and a “settlement costs levy” (as per the Supplier Payment Regulations) in order to fund the operational costs of the respective schemes.

This instrument makes the following changes. Firstly, regulation 2 amends the rate for the annual operational costs levy in the ESO Regulations from 1st April 2022, and for the next two operational cost periods and subsequent such periods. Secondly, regulation 3(1) provides an amended figure for the settlement costs levy in regulation 9(2) of the Supplier Payment Regulations from 1st April 2022, for the next two years and subsequent financial years. The revised figure does not apply in respect of any financial year before 2022. A financial year for this purpose means a period of one year commencing with 1st April.

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.