

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.