
STATUTORY INSTRUMENTS

2014 No. 2012

The Contracts for Difference
(Standard Terms) Regulations 2014

PART 2

Standard terms

Provision to be included in standard terms

3. The standard terms issued under section 11(1) of the Act or revised under section 11(2) of the Act must set out—

- (a) that where a strike price is higher than a reference price, the CFD counterparty must pay the generator the difference between the strike price and the reference price;
- (b) that where a reference price is higher than a strike price, the generator must pay the CFD counterparty the difference between the reference price and the strike price;
- (c) that the amount payable under paragraph (a) or (b) must be calculated by reference to the amount of low carbon electricity generation produced by a generating facility;
- (d) the way in which a reference price is to be determined;
- (e) the way in which a strike price is to be adjusted according to inflation;
- (f) the way in which the amount of low carbon electricity generation produced by a generating facility is to be determined;
- (g) that sums must not be paid by the CFD counterparty under a CFD where those sums are not allocated to that CFD in accordance with the Contracts for Difference (Supplier Obligation) Regulations 2014(1);
- (h) which circumstances allow a generator to reduce the capacity of its generating facility;
- (i) which changes in law will cause compensation to be payable by one party to the other party or cause a change to a strike price;
- (j) the way in which the amount of compensation payable or a change to a strike price under paragraph (i) is to be determined;
- (k) which time limits in a CFD may be extended where force majeure prevents a party from complying with them;
- (l) which circumstances require a generator to receive the consent of the CFD counterparty before transferring a CFD or assigning its rights and obligations under a CFD;
- (m) the way in which the parties to a CFD may amend a CFD;
- (n) a mechanism by which disputes between the parties to a CFD are to be resolved;
- (o) which circumstances allow the CFD counterparty to terminate a CFD;

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- (p) which circumstances require a generator to make a payment to the CFD counterparty following termination of a CFD; and
- (q) the way in which the amount payable under paragraph (p) is to be determined.

Provision and publication of information

4.—(1) Where the Secretary of State publishes revised standard terms in compliance with section 11(5) of the Act, the Secretary of State must also publish an explanation of why the revisions have been made.

(2) Before issuing or revising standard terms in accordance with section 11(1) and (2) of the Act, the Secretary of State may request the CFD counterparty to provide information or advice to the Secretary of State concerning the issue or revision of standard terms, and the CFD counterparty must comply with such a request as soon as reasonably practicable.