
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under section 31 of the European Union (Future Relationship) Act 2020 (c. 29) and implement Article 311(1)(f), Article 312(1) and Article 317(1) to, and Annex 29 of, the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part (“the Trade and Cooperation Agreement”), for the purposes of developing technical procedures for electricity trading in the day-ahead market timeframe. It also implements Article 310 of the Trade and Cooperation Agreement in respect of designating a regulatory authority for specified purposes relating to electricity and gas.

Regulation 2 designates the Gas and Electricity Markets Authority (“the Authority”) as the regulatory authority for Great Britain for the purposes of Article 310 of the Trade and Cooperation Agreement.

Regulation 3 places an obligation on the Secretary of State to give directions to GB transmission system operators (“GB TSOs”) setting out, in each case, the day before which they must comply with their obligations under regulation 4. It also requires the Secretary of State to give a direction to the Authority specifying the day before which it must provide its opinion under regulation 4(4). There is a discretion on the Secretary of State to vary or revoke any directions given under this regulation.

Regulation 4 places obligations on GB TSOs to develop the technical procedures for the allocation of electricity interconnector capacity at the day-ahead market timeframe in accordance with Annex 29 of the Trade and Cooperation Agreement. GB TSOs are required to submit the technical procedures to the Authority and to the Northern Ireland Authority for Utility Regulation (“the Northern Ireland Authority”) and, where there is a disagreement with non-UK transmission system operators in developing those procedures, GB TSOs are required to seek the opinion of the Authority. The Authority must provide an opinion on those procedures, or any such disagreement, and send it to the GB TSOs. Before providing such an opinion, it must provide the Northern Ireland Authority with the opportunity to make representations in respect of the technical procedures or any disagreement and provide them with any relevant information. The Authority is required to have regard to any representations made by the Northern Ireland Authority and ensure those representations are taken account of in the opinion as appropriate. The GB TSOs must send the opinion of the Authority together with the technical procedures to the Specialised Committee on Energy. The obligations under this regulation are to be completed before a day specified in a direction by the Secretary of State. This regulation also places obligations on GB TSOs and relevant electricity market operators to cooperate with other relevant parties in developing the technical procedures.

Regulation 5 places a duty on the Authority to determine the allocation and recovery of costs relating to the development and implementation of the technical procedures to be apportioned in accordance with paragraph 6 of Annex 29 of the Trade and Cooperation Agreement. It gives the Authority the power to require the provision of information relating to costs from GB TSOs and relevant electricity market operators and requires them to comply within three months of notification of the request being made.

Regulation 6 places an obligation on GB TSOs, relevant electricity market operators and the Authority to have regard to any guidance published by the Secretary of State.

Regulation 7 applies section 25 of the Electricity Act 1989 (c. 29) in respect of obligations placed on relevant electricity market operators and GB TSO as if they were relevant requirements on a regulated person. This will enable the Authority to enforce those obligations under that Act.

Changes to legislation: *There are currently no known outstanding effects for the The Electricity Trading (Development of Technical Procedures) (Day-Ahead Market Timeframe) Regulations 2021. (See end of Document for details)*

An Impact Assessment has not been prepared for this instrument because the impacts identified are below the threshold required to carry out a full impact assessment. A De-Minimis form has been produced which describes the impacts and includes an assessment of any direct costs to business that are expected as a result of this instrument. This form is available upon request from the Energy Security, Networks and Markets Team, Department for Business Energy and Industrial Strategy 1 Victoria Street, London SW1H 0ET.

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