



# Energy Act 2013

## 2013 CHAPTER 32

### PART 2

#### ELECTRICITY MARKET REFORM

### CHAPTER 2

#### CONTRACTS FOR DIFFERENCE

## 6 Regulations to encourage low carbon electricity generation

(1) The Secretary of State may for the purpose of encouraging low carbon electricity generation make regulations about contracts for difference between a CFD counterparty and an eligible generator.

[<sup>F1</sup>(1A) The reference in subsection (1) to encouraging low carbon electricity generation includes encouraging the continuation of, or an increase in, low carbon electricity generation by existing generating stations.]

(2) A contract for difference is a contract—

- (a) certain payments under which are to be funded by electricity suppliers (see further section 9), and
- (b) which a CFD counterparty is required to enter into by virtue of section 10 or 14;

and such a contract is referred to in this Chapter as a “CFD”.

(3) For the purposes of this Chapter—

“CFD counterparty” is to be construed in accordance with section 7(2);

“eligible generator” is to be construed in accordance with section 10(3);

“low carbon electricity generation” means electricity generation which in the opinion of the Secretary of State will contribute to a reduction in emissions of greenhouse gases;

“regulations” means regulations under this section.

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*Changes to legislation: Energy Act 2013, Section 6 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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- (4) In subsection (3) “greenhouse gas” has the meaning given by section 92(1) of the Climate Change Act 2008.
- (5) The provision which may be made by regulations includes, but is not limited to, the provision described in this Chapter.
- (6) Regulations may—
- (a) include incidental, supplementary and consequential provision;
  - (b) make transitory or transitional provision or savings;
  - (c) make different provision for different cases or circumstances or for different purposes;
  - (d) make provision subject to exceptions.
- (7) Regulations are to be made by statutory instrument.
- (8) An instrument containing regulations of any of the following kinds may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament (in each case, whether or not the regulations also make other provision)—
- (a) the first regulations which make provision falling within each of the following—
    - (i) section 14;
    - (ii) section 15;
    - (iii) section 19;
    - (iv) section 20;
  - [<sup>F2</sup>(aa) the first regulations made after the passing of the Energy Prices Act 2022 which make provision falling within each of the sections mentioned in paragraph (a);]
  - (b) regulations which make provision falling within—
    - (i) section 9;
    - (ii) section 10;
    - (iii) section 12;
    - (iv) section 13;
    - (v) section 17;
    - (vi) section 18;
    - (vii) section 21;
    - (viii) section 22;
    - (ix) section 23.
- (9) Any other instrument containing regulations is subject to annulment in pursuance of a resolution of either House of Parliament.
- (10) If, but for this subsection, an instrument containing regulations would be treated for the purposes of the standing orders of either House of Parliament as a hybrid instrument, it is to proceed in that House as if it were not a hybrid instrument.

#### Textual Amendments

- F1** S. 6(1A) inserted (25.12.2022) by Energy Prices Act 2022 (c. 44), ss. 18(2)(a), 30(5) (with s. 29)
- F2** S. 6(8)(aa) inserted (25.12.2022) by Energy Prices Act 2022 (c. 44), ss. 18(2)(b), 30(5) (with s. 29)

**Changes to legislation:**

Energy Act 2013, Section 6 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 68(4) inserted by [2023 c. 52 s. 302\(4\)](#)