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STATUTORY INSTRUMENTS

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**2014 No. 2043**

**The Electricity Capacity Regulations 2014**

**PART 4**

**Capacity auctions**

**CHAPTER 4**

**Determining eligibility and holding capacity auctions**

**Cancellation, postponement or stopping of capacity auction**

**26.**—(1) A capacity auction may not be cancelled, postponed or stopped except as provided in this regulation.

(2) The Delivery Body—

- (a) must cancel or postpone a capacity auction if directed to do so by the Secretary of State under paragraph (3); and
- (b) may postpone or stop a capacity auction if, in the Delivery Body's opinion, the capacity auction cannot be conducted fairly and in accordance with regulation 24(3), because of a failure of the auction IT system or any other exceptional circumstances.

(3) The Secretary of State—

- (a) must, before the date on which the capacity auction is to start, direct the Delivery Body to cancel or postpone the capacity auction if, in the Secretary of State's opinion, were the capacity auction to proceed the awarding of capacity agreements or making of capacity payments to successful bidders could breach the law relating to state aid;
- (b) may, at any time before the date on which the capacity auction is to start, direct the Delivery Body for any other reason—
  - (i) to postpone a capacity auction for an indefinite period; or
  - (ii) to start the capacity auction on a later date than the date specified in auction guidelines.

(4) If the Delivery Body postpones or stops a capacity auction under paragraph (2)(b), the Delivery Body must hold or restart the capacity auction at a later date, and must comply with regulation 28(3)(b) and (c) in relation to the rearranged capacity auction.

(5) If the Secretary of State gives a direction under paragraph (3)(a) to postpone a capacity auction, the Secretary of State—

- (a) may subsequently direct the Delivery Body to rearrange the capacity auction if the Secretary of State is, at the date of the later direction, satisfied that the awarding of capacity agreements and making of capacity payments to successful bidders would not breach the law relating to state aid; and
- (b) must otherwise direct the Delivery Body to cancel the capacity auction.

(6) If the Secretary of State gives a direction under paragraph (3)(b) to postpone a capacity auction, the Secretary of State must as soon as reasonably practicable give a further direction to the Delivery Body to rearrange or cancel the capacity auction.

(7) Paragraphs (5)(a) and (6) are subject to regulation 28(4).

(8) If the Secretary of State directs the Delivery Body to cancel or postpone a capacity auction, the Secretary of State must, not later than 4 weeks after giving that direction, publish the reasons for it.