

2015 No. 1412

ELECTRICITY

**The Power Purchase Agreement Scheme (Amendment)
Regulations 2015**

Made - - - - - *23rd June 2015*
Laid before Parliament *25th June 2015*
Coming into force in accordance with regulation 1(2) and (3)

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 51(1) to (5) of the Energy Act 2013(a).

In accordance with section 51(6) of that Act, the Secretary of State has consulted licensed suppliers, the Authority and such other persons as the Secretary of State considered it appropriate to consult.

Citation and commencement

1.—(1) These Regulations may be cited as the Power Purchase Agreement Scheme (Amendment) Regulations 2015.

(2) Regulations 1, 2 and 8(1) come into force on 20th July 2015.

(3) Except as stated in paragraph (2), these Regulations come into force on 1st October 2015.

Amendment of the Power Purchase Agreement Scheme Regulations 2014

2. The Power Purchase Agreement Scheme Regulations 2014(b) are amended as follows.

Amendment of regulation 5 (sending expressions of interest to all licensed suppliers)

3. In regulation 5(4)(a), after “expression of interest” omit “or project information”.

Amendment of regulation 6 (determination as to whether electricity generator meets eligibility requirements)

4. For regulation 6(6)(a) substitute—

“(a) the electricity generator has (or a previous party to the relevant contract in respect of the generating station specified in the expression of interest has) failed to provide to the Authority within the 5-day period starting with the date on which the relevant notice was given—

(a) 2013 c.32.
(b) S.I. 2014/2511.

- (i) in respect of the expression of interest to which the current determination relates, any project information requested in a notice under paragraph (5);
- (ii) in respect of a previous expression of interest, any project information requested in a notice under paragraph (5) or any updated project information or confirmation requested in a notice under paragraph 3(1) of the Schedule.”.

Amendment of regulation 16 (records to be maintained by the Authority)

5. For regulation 16(1)(a) substitute—

“(a) an electricity generator fails to provide any—

- (i) project information requested in a notice under regulation 6(5); or
- (ii) updated project information or confirmation requested in a notice under paragraph 3(1) of the Schedule,

within the 5-day period starting with the date on which the relevant notice was given;”.

Amendment of regulation 17 (annual reports)

6. For regulation 17(1)(e) substitute—

“(e) the total amount of electricity provided by electricity generators under BPPAs in that OLR year; and”.

Amendment of regulation 19 (calculations required for purposes of Part 3 of the 2014 Regulations)

7. In regulation 19(2)(a), for “purchased by” substitute “provided to”.

Amendment of regulation 21 (periodic levelisation payments)

8.—(1) In regulation 21(1), after “apply in” omit “in”.

(2) In regulation 21(8), for “an annual” substitute “a periodic”.

Amendment of regulation 27 (termination of supply licence)

9. In regulation 27(1), for “(E)” substitute “(“E”)”.

Amendment of Part 1 of the Schedule (the auction)

10.—(1) In paragraph 2(2) of the Schedule, after “subject to paragraph” insert “3(1A) and”.

(2) After paragraph 3(1) of the Schedule insert—

“(1A) If within the first 2 days of the 10-day period specified in paragraph 2 the Authority receives an updated version of the project information from the eligible generator—

- (a) the date on which the auction closes is unchanged;
- (b) the Authority must send a revised OLR notice to all licensed suppliers in accordance with regulation 7(1)(b); and
- (c) the Authority must state in the revised OLR notice that the date on which the auction closes is unchanged.”.

(3) In paragraph 3(2)(c) of the Schedule, for “a copy” substitute “the revised OLR notice”.

Amendment of Part 2 of the Schedule (selecting a licensed supplier in respect of a BPPA)

11.—(1) For paragraph 5(2) of the Schedule substitute—

- “(2) The Authority must take no account of any bid made by a licensed supplier which—
- (a) is not connected to a GSP group that is specified in the eligible generator’s project information in relation to the generating station specified in that project information; or
 - (b) was submitted before a revised OLR notice was issued in accordance with paragraph 3(1A) or 3(2)(c).”.
- (2) For paragraph 9(1) of the Schedule substitute—
- “(1) The Authority must take no account of any bid made by a licensed supplier which—
- (a) is not connected to a GSP group that is specified in the eligible generator’s project information in relation to the generating station specified in that project information; or
 - (b) was submitted before a revised OLR notice was issued in accordance with paragraph 3(1A) or 3(2)(c).”.
- (3) In paragraph 12(a) of the Schedule before “OLR” insert “the”.

23rd June 2015

Andrea Leadsom
Minister of State
Department of Energy and Climate Change

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under Part 2, Chapter 6 of the Energy Act 2013 (c.32). They amend in various respects the Power Purchase Agreement Scheme Regulations 2014 (S.I. 2014/2511) (“the Principal Regulations”).

The Principal Regulations apply to Great Britain and make provision for or in connection with a scheme to promote the availability to electricity generators of power purchase agreements. Agreements entered into under the scheme are referred to in the Principal Regulations as BPPAs (“backstop power purchase agreements”).

Regulation 3 amends regulation 5 of the Principal Regulations to clarify that the Gas and Electricity Markets Authority (“the Authority”) will not make an assessment of any project information submitted by a person who operates or participates in the operation of a generating station (“an electricity generator”) seeking to enter into a BPPA within the period of two days which starts on the day following the day on which the Authority receives an expression of interest stating that the electricity generator is seeking to enter into one or more BPPAs in respect of a generating station (“an expression of interest”).

Regulation 4 amends regulation 6(6)(a) of the Principal Regulations to clarify the circumstances when the Authority will determine that an electricity generator has not met the eligibility requirements to enter into a BPPA.

Regulation 5 amends regulation 16 of the Principal Regulations to clarify that the Authority must establish and maintain records when an electricity generator fails to meet the eligibility requirements set out under the amended regulation 6(6)(a) of the Principal Regulations.

Regulations 6 and 7 amend regulations 17 and 19 of the Principal Regulations to align the terminology with regulation 15 of the Principal Regulations and ensure that there is consistency between the information provided to the Authority and the information that the Authority uses to meet its reporting obligations and on which it bases its calculations in respect of the levelisation process.

Regulations 8 and 9 amend regulations 21 and 27 of the Principal Regulations to correct typographical errors.

Regulation 10 amends Part 1 of the Schedule to the Principal Regulations to clarify that if the Authority receives an updated version of the project information from an electricity generator in whose case the Authority's determination is that the eligibility requirements are met ("an eligible generator") the Authority must send a notice ("a revised OLR notice") to all persons who hold an electricity supply licence under section 6 of the Electricity Act 1989 ("licensed suppliers"). If the Authority receives the updated project information from an eligible generator in the first 2 days of the 10 day period specified in paragraph 2 of the Schedule to the Principal Regulations, the Authority must send a revised OLR notice to all licensed suppliers and state that the date on which the auction closes is unchanged.

Regulation 11 amends Part 2 of the Schedule to the Principal Regulations to clarify that the Authority must not take account of any bid made by a licensed supplier which was submitted before a revised OLR notice was issued.

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector was published with the Explanatory Memorandum to the Principal Regulations on www.legislation.gov.uk and is available from the Department of Energy and Climate Change at 3, Whitehall Place, London, SW1A 2AW.

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