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STATUTORY INSTRUMENTS

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**2014 No. 2043**

**The Electricity Capacity Regulations 2014**

**PART 11**

**Capacity market rules**

**Authority's power to make capacity market rules**

**77.**—(1) The Authority may make capacity market rules about the operation and administration of the capacity market.

(2) The power in paragraph (1)—

- (a) includes power to amend, add to, revoke or substitute any provision of the Rules; and
- (b) includes power to specify that an obligation in capacity market rules made by the Authority is enforceable as if it were a relevant requirement on a regulated person for the purposes of section 25 of EA 1989 (whether or not the person on whom a requirement is imposed is in fact a regulated person within the meaning of EA 1989).

(3) But the Authority must not—

- (a) make any provision in capacity market rules which is inconsistent with these Regulations; or
- (b) except with the approval of the Secretary of State, make any provision in capacity market rules which—
  - (i) confers functions on the Secretary of State; or
  - (ii) confers additional functions on the Authority.

**Objectives**

**78.** The Authority must when making capacity market rules, in addition to having regard to its principal objective and general duties, have regard to the following objectives—

- (a) promoting investment in capacity to ensure security of electricity supply;
- (b) facilitating the efficient operation and administration of the capacity market;
- (c) ensuring the compatibility of capacity market rules with other subordinate legislation under Part 2 of the Act.

**Procedure**

**79.**—(1) Before making capacity market rules the Authority must consult—

- (a) the Secretary of State;
- (b) the Delivery Body;
- (c) any person who is a holder of a licence to supply electricity under section 6(1)(d) of EA 89;
- (d) any person who is a capacity provider; and

- (e) such other persons as the Authority considers it appropriate to consult.
- (2) Paragraph (3) applies where any proposal to amend a provision of capacity market rules is made to the Authority by—
  - (a) a person mentioned in paragraph (1)(a) to (d);
  - (b) an applicant, or a person wishing to apply to bid in a capacity auction; or
  - (c) a representative body representing persons mentioned in paragraph (1)(c) or (d) or any other class of persons which, in the Authority’s opinion, has a sufficient interest in the capacity market.
- (3) The Authority must—
  - (a) consider the proposal; and
  - (b) either—
    - (i) consult in accordance with paragraph (1) on whether to make the proposed amendment; or
    - (ii) publish its reasons for rejecting the proposal without consulting on it.