

*These notes refer to the Energy Act 2013 (c.32)
which received Royal Assent on 18 December 2013*

ENERGY ACT 2013

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Electricity Market Reform

Chapter 4: Investment contracts

Schedule 2, Part 2

Paragraph 9: Application of sums

213. *Paragraph 9* is concerned with providing regulation-making powers to cover two broad areas. First, to ensure that regulations may make provision about the apportioning of money between generators by the Secretary of State or a counterparty where the amount collected from licensed suppliers is insufficient to collectively meet the liabilities under investment contracts or CFDs in full. In making these regulations, the Secretary of State must have regard to the principle that sums should be apportioned in proportion to the amounts which are owed, i.e. that they are pro-rated.
214. Secondly, *sub-paragraphs (4) and (5)* are concerned about conferring regulation-making powers to control how monies received by a counterparty or by the Secretary of State are used – specifically, whether or not they need to be paid into the Consolidated Fund.