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STATUTORY INSTRUMENTS

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**2014 No. 2014**

**The Contracts for Difference (Electricity  
Supplier Obligations) Regulations 2014**

**PART 2**

Supplier obligation

**CHAPTER 3**

Payments for reserve

**Reserve payments**

- 10.**—(1) The CFD counterparty must determine—
- (a) the total amount of reserve payments (“the total reserve amount”) to be collected from suppliers in respect of each quarterly obligation period; and
  - (b) the amount of each electricity supplier’s reserve payment in respect of each quarterly obligation period calculated in accordance with regulation 11.
- (2) The CFD counterparty must determine the total reserve amount and the amount of each electricity supplier’s reserve payment for a quarterly obligation period—
- (a) where that period commences on 1st April 2015, before 1st January 2015;
  - (b) for any other quarterly obligation period, before the commencement of the quarterly obligation period which immediately precedes that period.
- (3) The CFD counterparty must publish its determination of the total reserve amount for a quarterly obligation period—
- (a) where that period commences on 1st April 2015, before 1st January 2015;
  - (b) for any other quarterly obligation period, before the commencement of the quarterly obligation period which immediately precedes that period.
- (4) The CFD counterparty must issue a notice to every electricity supplier which sets out the amount of that supplier’s reserve payment for a quarterly obligation period—
- (a) where that period commences on 1st April 2015, before 1st January 2015;
  - (b) for any other quarterly obligation period, before the commencement of the quarterly obligation period which immediately precedes that period.
- (5) The total reserve amount for a quarterly obligation period is the amount which the CFD counterparty determines it would need to be paid for there to be a 19 in 20 probability of it being able to make all the payments it is required to make to CFD parties during that period having regard to—
- (a) the amount of interim rate payments which it expects to be paid during the period;
  - (b) the likelihood of any supplier failing to make payments it is required to make under these Regulations during that period; and

- (c) the estimated quarterly obligation period income, estimated quarterly obligation period electricity supply and the estimated quarterly period cost in respect of that period.