

SCHEDULE 1

Regulations 3, 6 to 10, 20 and 21

Calculation of amounts

Interpretation

1. In this Schedule—

- (a) “WF_{mx}”, in relation to a month of a delivery year, means the weighting factor calculated for that month under paragraph 2 of Schedule 1 to the Principal Regulations; and
- (b) a term preceded by “∑_s” means the sum of the amounts represented by that term for all electricity suppliers.

Capacity market supplier charge: provisional annual calculations

2.—(1) The Settlement Body must, by no later than three months before the start of a delivery year (“year X”), for each electricity supplier (“S”) calculate—

- (a) S’s provisional share of capacity market supplier charges in respect of year X (“PSC_{sx}”);
- (b) S’s provisional capacity market supplier charge in respect of year X (“PACMSC_{sx}”);
- (c) S’s provisional monthly capacity market supplier charge in respect of each month of year X (“PMCMSC_{sm}”).

(2) PSC_{sx} must be calculated in accordance with the formula—

$$PSC_{sx} = \frac{FSSPD_{sx}}{\sum_s FSSPD_{sx}}$$

(3) PACMSC_{sx} must be calculated in accordance with the formula—

$$PACMSC_{sx} = \sum_i ACP_{ix} \times PSC_{sx}$$

(4) PMCMSC_{sm} must be calculated in accordance with the formula—

$$PMCMSC_{sm} = PACMSC_{sx} \times WF_{mx}$$

(5) In this paragraph—

“∑_iACP_{ix}” means the sum of ACP_{ix} (the total amount of capacity payments payable in respect of a capacity committed CMU), as calculated under paragraph 3 of Schedule 1 to the Principal Regulations, for all capacity committed CMUs in respect of year X; and

“FSSPD_{sx}” means the amount of the forecast given by S to the Settlement Body for year X under regulation 4(2).

Capacity market supplier charge: revised annual calculations

3.—(1) The Settlement Body must, as soon as reasonably practicable after net demand data for all periods of high demand in year X is available, calculate for each electricity supplier (“S”)—

- (a) S’s revised share of capacity market supplier charges in respect of year X (“RSC_{sx}”);
- (b) S’s revised capacity market supplier charge in respect of year X (“RACMSC_{sx}”);
- (c) S’s revised monthly capacity market supplier charge in respect of each month of year X (“RMCMSC_{sm}”).

(2) RSC_{sx} must be calculated in accordance with the formula—

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$$RSC_{sx} = \frac{ASSPD_{sx}}{\sum_s ASSPD_{sx}}$$

(3) $RACMSC_{sx}$ must be calculated in accordance with the formula—

$$RACMSC_{sx} = \sum_i AACP_{ix} \times RSC_{sx}$$

(4) $RMCMSC_{sm}$ must be calculated in accordance with the formula—

$$RMCMSC_{sm} = RACMSC_{sx} \times WF_{mx}$$

(5) In this paragraph—

“ $\sum_i AACP_{ix}$ ” means $\sum_i ACP_{ix}$, within the meaning given in paragraph 2(5), minus any reductions in the total amount of capacity payments payable to capacity providers in respect of year X as a result of—

- (a) a capacity agreement being terminated; or
- (b) a capacity payment being reduced or forfeited under the Principal Regulations;

“ $ASSPD_{sx}$ ” means the actual net demand of S during periods of high demand in year X.

Capacity market supplier charge: monthly calculations

4.—(1) The Settlement Body must, by no later than the first day of each month (“month M”) of a delivery year calculate for each electricity supplier (“S”) the monthly capacity market supplier charge (“ $MCMSC_{sm}$ ”) payable by S in respect of month M.

(2) If the date on which the Settlement Body calculates $MCMSC_{sm}$ (“the calculation date”) is before the date on which the Settlement Body makes the calculations required by paragraph 3, then $MCMSC_{sm}$ is equal to $PMCMSC_{sm}$.

(3) If the calculation date is on or after the date on which the Settlement Body makes the calculations required by paragraph 3, then $MCMSC_{sm}$ is equal to $RMCMSC_{sm}$.

(4) In this paragraph—

“ $PMCMSC_{sm}$ ” means the amount calculated under paragraph 2(1)(c) for electricity supplier S and month M;

“ $RMCMSC_{sm}$ ” means the amount calculated under paragraph 3(1)(c) for electricity supplier S and month M.

Capacity market supplier charge: mutualisation payments

5.—(1) If, in respect of a month of a delivery year (“month M”), one or more electricity suppliers is in capacity market stage 2 credit default, the Settlement Body must calculate in accordance with sub-paragraphs (2) and (3) the mutualisation payment to be made by each electricity supplier (“S”) who is not in such default (“ MP_{sm} ”).

(2) If the calculation date is before the date on which the Settlement Body makes the calculations required by paragraph 3, then MP_{sm} must be calculated in accordance with the formula—

$$MP_{sm} = \left(\sum_d PMCMSC_{dm} \times \frac{PSC_{sx}}{\sum_n PSC_{nx}} \right)$$

(3) If the calculation date is on or after the date on which the Settlement Body makes the calculations required by paragraph 3, then MP_{sm} must be calculated in accordance with the formula—

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$$MP_{sm} = \left(\sum_d RMCMS_{dm} \times \frac{RSC_{sx}}{\sum_n RSC_{nx}} \right)$$

(4) In this paragraph—

“ $\sum_d PMCMS_{dm}$ ” means the sum of the amounts calculated under paragraph 2(1)(c) for month M for every electricity supplier who is in capacity market stage 2 credit default in respect of month M;

“ PSC_{sx} ” means the amount calculated under paragraph 2(1)(a) for supplier S and year X;

“ $\sum_n PSC_{nx}$ ” means the sum of the amounts calculated under paragraph 2(1)(a) for year X for every electricity supplier who is not in capacity market stage 2 credit default in respect of month M;

“ $\sum_d RMCMS_{dm}$ ” means the sum of the amounts calculated under paragraph 3(1)(c) for month M for every electricity supplier who is in capacity market stage 2 credit default in respect of month M;

“ RSC_{sx} ” means the amount calculated under paragraph 3(1)(a) for supplier S and year X;

“ $\sum_n RSC_{nx}$ ” means the sum of the amounts calculated under paragraph 3(1)(a) for year X for every electricity supplier who is not in capacity market stage 2 credit default in respect of month M; and

“year X” means the delivery year in which month M falls.

Penalty residual supplier amount

6.—(1) The Settlement Body must, as soon as reasonably practicable after the end of a delivery year (“year X”), calculate for each electricity supplier (“S”) the penalty residual supplier amount (“ $PRSA_{sx}$ ”) which is due to S in respect of year X.

(2) $PRSA_{sx}$ must be calculated in accordance with the formula—

$$PRSA_{sx} = \left(TPR_x - \sum_i ODP_{ix} \right) \times \frac{CMSCP_{sx}}{\sum_s CMSCP_{sx}}$$

(3) In paragraph (2)—

“ $CMSCP_{sx}$ ” means the total amount of capacity market supplier charges paid by S in respect of year X;

“ $\sum_i ODP_{ix}$ ” means the sum of the amounts calculated under paragraph 7(1)(c) of Schedule 1 to the Principal Regulations for all relevant CMUs (within the meaning given in that paragraph) for year X;

“ TPR_x ” means the total amount of capacity market penalty charge payments received by the Settlement Body under the Principal Regulations in respect of year X.

Settlement costs levy: provisional calculations

7.—(1) The Settlement Body must, by no later than the start of a relevant financial year (“year Y”), for each electricity supplier (“S”) calculate—

(a) S’s provisional share of the settlement costs levy in respect of year Y (“ PSL_{sy} ”);

(b) S’s provisional monthly settlement costs levy in respect of each month of year Y (“ PML_{sm} ”).

(2) PSL_{sy} must be calculated in accordance with the formula—

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$$PSL_{sy} = \frac{ASSPD_{sr}}{\sum_s ASSPD_{sr}}$$

(3) PML_{sm} must be calculated for each month of year Y (“month M”) in accordance with the formula—

$$PML_{sm} = ASCL_y \times PSL_{sy} \times \frac{1}{12}$$

(4) In this paragraph—

“ $ASCL_y$ ” is the amount specified in regulation 9(2) as the total amount which may be charged to all electricity suppliers in respect of the settlement costs levy for year Y;

“ $ASSPD_{sr}$ ” means—

- (a) subject to paragraph (b), the actual net demand of S is responsible during periods of high demand (“AD”) in the relevant months; or
- (b) if, at the date on which the calculation in sub-paragraph (2) is to be made, the Settlement Body does not have the data necessary to calculate AD for all electricity suppliers for one or more of the relevant months, AD in the relevant months for which the Settlement Body has that data;

“the relevant months” means November to February of the financial year preceding year Y.

Settlement costs levy: revised calculations

8.—(1) The Settlement Body must, as soon as reasonably practicable after 16th March in a relevant financial year (“year Y”), calculate for each electricity supplier (“S”)—

- (a) S’s revised share of the settlement costs levy in respect of each month of year Y for which S is liable to pay settlement costs levy (“ RSL_{sm} ”);
- (b) S’s revised monthly settlement costs levy in respect of each month of year Y (“ RML_{sm} ”).

(2) RSL_{sm} must be calculated in accordance with the formula—

$$RSL_{sm} = \frac{ASSPD_{sy}}{\sum_l ASSPD_{ly}}$$

(3) RML_{sm} must be calculated in accordance with the formula—

$$RML_{sm} = ASCL_y \times RSL_{sm} \times \frac{1}{12}$$

(4) In this paragraph—

“ $ASCL_y$ ” has the same meaning as in paragraph 7;

“ $ASSPD_{sy}$ ” means the actual net demand of S during periods of high demand in year Y;

“ $\sum_l ASSPD_{ly}$ ” means the sum of those amounts of actual net demand for every electricity supplier who is liable to pay settlement costs levy in the relevant month.

Settlement costs levy refund

9.—(1) The Settlement Body must calculate the amount (“ $SCLR_{sy}$ ”) of the refund payable to each electricity supplier (“S”) who has paid a settlement costs levy payment in a relevant financial year (“year Y”) in accordance with the formula—

$$SCLR_{sy} = (AR - SC) \times \frac{SCLP_{sy}}{\sum_s SCLP_{sy}}$$

(2) In this paragraph—

“AR” and “SC” have the meanings given in regulation 10;

“SCLP_{sy}” means the amount of settlement costs levy paid by S in respect of year Y.

SCHEDULE 2

Regulation 35

Amendments to the Principal Regulations

Amendments to the Principal Regulations

1. The Principal Regulations are amended in accordance with paragraphs 2 to 14.
2. In regulation 2(1), after the definition of “the Rules” insert—

““the Supplier Payment Regulations” means the Electricity Capacity (Supplier Payment etc.) Regulations 2014;”.
3. In regulation 3—
 - (a) in paragraph (1)(a), after “electrical output by a generating unit” insert “or through an electricity interconnector”; and
 - (b) in paragraph (2)—
 - (i) omit “section 28(3) of the Act and”; and
 - (ii) for “customers” substitute “premises”.
4. In regulation 4(9), for “1st April 2014” substitute “8th September 2014”.
5. In regulation 41, after paragraph (3) insert—

“(3A) The percentages to be included in the capacity market register under regulation 31(2)(f) are—

 - (a) for the annual penalty cap, 100%; and
 - (b) for the monthly penalty cap, 200%.”.
 6. In regulation 44(6), in the definition of “liable electricity supplier”, for “customers” substitute “premises”.
 7. In regulation 45(1), in the definition of “payer”, before “means” insert “, subject to regulation 47(7),”.
 8. In regulation 47, at the end insert—

“(7) In this regulation, “payer” means a person to whom an invoice is issued under these Regulations or the Supplier Payment Regulations.”.
 9. In regulation 67, in paragraph (1)(b), after “these Regulations” insert “, the Supplier Payment Regulations”.
 10. In regulations 77(3)(a) and 80(3)(b), after “these Regulations” insert “or the Supplier Payment Regulations”.
 11. In regulation 81, in paragraphs (1)(a)(i) and (2)(a), after “these Regulations” insert “and the Supplier Payment Regulations”.
 12. In paragraph 2(2) of Schedule 1, for “3 decimal” substitute “10 decimal”.
 13. In paragraph 6 of Schedule 1—

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- (a) in sub-paragraph (4), for the formula substitute—

$$MPC_{im} = MCP_{im} \times F,$$

- (b) after sub-paragraph (5) insert—

“(5A) For the purpose of the second calculation, APC_{ix} is the annual penalty cap in pounds applying to CMU i in respect of year X, and is to be calculated in accordance with the formula—

$$APC_{ix} = ACP_{ix} \times G.$$

- (c) in sub-paragraph (6)—

(i) omit the definition of “ APC_{ix} ”; and

(ii) before the definition of “ $MaxSP_i$ ” insert—

““ ACP_{ix} ” means the amount of annual capacity payments calculated under paragraph 3 for CMU i in respect of year X;

“F” means the percentage stated on the capacity market register under regulation 31(2)(f) as the monthly penalty cap percentage for CMU i in respect of year X;

“G” means the percentage stated on the capacity market register under regulation 31(2)(f) as the annual penalty cap percentage for CMU i in respect of year X.”.

14. In paragraph 1(b) of Schedule 2, after “Regulations” insert “, the Supplier Payment Regulations”.