
DRAFT STATUTORY INSTRUMENTS

2014 No.

The Electricity Capacity Regulations 2014

PART 6

Payments

CHAPTER 4

Payment and non-payment

Reducing capacity payments: unpaid capacity provider penalty charges

49.—(1) This regulation applies if, at the time when a credit note is issued to a capacity provider (“C”) for a capacity payment, C is in default in respect of a capacity provider penalty charge (an “unpaid penalty charge”).

(2) If this regulation applies—

(a) the Settlement Body must ensure that the credit otherwise payable to C is reduced—

(i) by the amount of the unpaid penalty charge;

(ii) to nil, if the amount of the unpaid penalty charge is equal to or greater than the amount of the credit; and

(b) the amount by which the credit is reduced is to be treated as a payment or part payment of the unpaid penalty charge.

(3) The Settlement Body must ensure that the credit note issued to C states the amount by which the credit is reduced, and the reason for the reduction.