

Draft Regulations laid before Parliament under section 6(8) and 40(5) of the Energy Act 2013, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2018 No.

ELECTRICITY

**The Electricity Supplier Payments
(Amendment) Regulations 2018**

*Made - - - - - ****
Coming into force in accordance with regulation 1(2)*

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 6(1) and (6), 9(1) and (2), 27, 30 and 40(1) of the Energy Act 2013⁽¹⁾ (“the 2013 Act”).

The Secretary of State has before making these Regulations—

- (a) consulted the persons listed in sections 24(1)(a) to (g) and 40(2)(a) and (b) of the 2013 Act and such other persons as the Secretary of State considered it appropriate to consult; and
- (b) had regard to the matters in section 5(2) of the 2013 Act.

In accordance with sections 6(8) and 40(5) of the 2013 Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1.—(1) These Regulations may be cited as the Electricity Supplier Payments (Amendment) Regulations 2018.

(2) These Regulations come into force on the day after the day on which these Regulations are made, except for regulation 2 which comes into force on 1st April 2018.

Amendment to the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014

2. In paragraph (7)(a) of regulation 23 of the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014⁽²⁾ for “£0.0524 per megawatt hour; and” substitute:

“as follows—

(1) 2013 c.32.
(2) S.I. 2014/2014; amended by S.I. 2015/721, 2016/363 and 2017/502.

- (i) £0.0570 per megawatt hour for any day during the operational cost period that begins on 1st April 2018;
- (ii) £0.0592 per megawatt hour for any day during the operational cost period that begins on 1st April 2019;
- (iii) £0.0614 per megawatt hour for any day during the operational cost period that begins on 1st April 2020 or during any subsequent operational cost period; and”.

Amendments to the Electricity Capacity (Supplier Payment etc.) Regulations 2014

3.—(1) The Electricity Capacity (Supplier Payment etc.) Regulations 2014(3) (“the Supplier Payment Regulations”) are amended as follows—

- (a) in regulation 9(2), for “£6,241,000” substitute—

“as follows—

- (a) £7,629,000 where year Y is the relevant financial year commencing in 2018;
- (b) £7,554,000 where year Y is the relevant financial year commencing in 2019;
- (c) £7,502,000 where year Y is the relevant financial year commencing in 2020 or any subsequent financial year”;

- (b) in paragraph 7(4)(a) of Schedule 1 (in the definition for “ASSPD_{sr}”) omit the words “is responsible”.

(2) Paragraph (1)(a) does not apply in respect of any financial year commencing before 2018.

(3) In paragraph (2) “financial year” has the same meaning as in regulation 2(1) of the Supplier Payment Regulations.

Date

Name
Minister of State for Energy and Clean Growth
Department for Business, Energy and Industrial
Strategy

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments to the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 (S.I. 2014/2014) (the “ESO Regulations”), and the Electricity Capacity (Supplier Payment etc.) Regulations 2014 (S.I. 2014/3354) (the “Supplier Payment Regulations”).

This instrument makes the following changes. Firstly, regulation 2 sets the rate for the operational costs levy in the ESO Regulations from the 1st April 2018 and for the next three operational cost periods and subsequent such periods. Secondly, regulation 3(1)(a) provides a revised figure for the settlement costs levy in regulation 9(2) of the Supplier Payment Regulations for the next three financial years and subsequent financial years. The revised figure does not apply in respect of any financial year commencing before 2018. A financial year for this purpose means a period of one year commencing with 1st April. Finally, regulation 3(1)(b) makes a correcting amendment to paragraph 7(4)(a) of Schedule 1 to the Supplier Payment Regulations.

A full-impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.