
DRAFT STATUTORY INSTRUMENTS

2019 No.

The Electricity Capacity (No. 1) Regulations 2019

PART 3

Payments administered by the Settlement Body

CHAPTER 1

Supplier charge payments during standstill period

Settlement Body to hold supplier charge payments

7.—(1) The Settlement Body must hold any capacity market supplier charge and any other payments it receives from electricity suppliers under regulation 6A(7) of the Supplier Payment Regulations⁽¹⁾ (unless returned to the electricity supplier which made the payment) to enable it to meet the cost of making capacity payments—

- (a) in respect of capacity obligations contained in capacity agreements that existed on 15th November 2018 which were payable in respect of a standstill month (but were prevented by the law relating to state aid from being paid at the time); and
- (b) in respect of capacity obligations awarded through the conditional agreement auction in respect of a T-1 standstill month.

(2) In this regulation, “T-1 standstill month” means—

- (a) any month included (wholly or partly) in the T-1 standstill period; or
- (b) the month after the month in which the T-1 capacity agreement trigger event or T-1 termination trigger event occurs.

(3) For the purposes of paragraph (2), “T-1 standstill period” means any part of the delivery year beginning on 1st October 2019 which falls before the date on which the T-1 capacity agreement trigger event or T-1 termination trigger event occurs.

Supplier charge payments used to make capacity payments: deferred capacity payment trigger event

8. If the deferred capacity payment trigger event occurs, the Settlement Body must use the capacity market supplier charge and any other payments it holds under regulation 7(1) on the day on which the trigger event occurs to meet the cost of making the capacity payments described in regulation 7(1)(a) in accordance with regulation 40 of the Principal Regulations⁽²⁾.

⁽¹⁾ Regulation 6A(7) is read into those regulations as modifications to the application of the Supplier Payment Regulations made by regulation 56(2).

⁽²⁾ Regulation 40 applies in respect of those payments as modified by regulation 13.

Supplier charge payments used to make capacity payments: T-1 capacity agreement trigger event

9. If the T-1 capacity agreement trigger event occurs, the Settlement Body must use the supplier charge and any other payments it holds under regulation 7(1) on the day on which the trigger event occurs to meet the cost of making capacity payments to capacity providers in respect of capacity obligations awarded through the conditional agreement auction in accordance with regulations 40 and 40A of the Principal Regulations(3).

Return of supplier charge payments: agreement termination trigger event

10.—(1) If the agreement termination trigger event and T-1 termination trigger event have both occurred, the Settlement Body must, for each electricity supplier (“S”), as soon as reasonably practicable after both trigger events have occurred—

- (a) determine the amount of supplier charge and any other payments paid by S which it holds under regulation 7(1) on the day on which the trigger event occurs;
- (b) determine the amount of interest payable (if any) on the amount determined under sub-paragraph (a); and
- (c) make a payment to S for an amount determined by adding the amounts determined under sub-paragraphs (a) and (b).

(2) In paragraph (1)(b), interest is payable only if there is a legal obligation to pay S interest in respect of the amount determined under paragraph (1)(a), and is only payable to the extent of that legal obligation.

(3) Regulations 40 and 40A apply in respect of those payments as modified by regulation 38.