

SCHEDULES

SCHEDULE 2

INVESTMENT CONTRACTS

PART 2

REGULATIONS: GENERAL

Supplier obligation

- 7 (1) Regulations may make provision for electricity suppliers to pay the Secretary of State for the purpose of enabling payments to be made under investment contracts.
- (2) Regulations must make provision for electricity suppliers to pay an investment contract counterparty or a CFD counterparty for the purpose of enabling payments to be made under investment contracts.
- (3) Regulations may make provision for electricity suppliers to pay the Secretary of State, an investment contract counterparty or a CFD counterparty for the purpose of enabling the person to whom the payments are made—
- (a) to meet such other descriptions of costs as the Secretary of State considers appropriate;
 - (b) to hold sums in reserve;
 - (c) to cover losses in the case of insolvency or default of an electricity supplier.
- (4) In sub-paragraph (3)(a) “costs” means costs in connection with the performance of any function conferred by or by virtue of this Schedule.
- (5) Regulations may make provision to require electricity suppliers to provide financial collateral to the Secretary of State, an investment contract counterparty or a CFD counterparty (whether in cash, securities or any other form).
- (6) Regulations which make provision by virtue of sub-paragraph (1) or (2) for the payment of sums by electricity suppliers must impose on the person to whom such sums are to be paid a duty in relation to the collection of such sums.
- (7) Provision made by virtue of this paragraph may include provision for—
- (a) the Secretary of State, an investment contract counterparty or a CFD counterparty to determine the form and terms of any financial collateral;
 - (b) the Secretary of State, an investment contract counterparty or a CFD counterparty to calculate or determine, in accordance with such criteria as may be provided for by or under the regulations, amounts which are owed by an electricity supplier or are to be provided as financial collateral by an electricity supplier;

Status: This is the original version (as it was originally enacted).

- (c) the issuing of notices by the Secretary of State, an investment contract counterparty or a CFD counterparty to require the payment or provision of such amounts;
 - (d) the enforcement of obligations arising under such notices.
- (8) Provision made by virtue of sub-paragraph (7)(b) may provide for anything which is to be calculated or determined under the regulations to be calculated or determined by such persons, in accordance with such procedure and by reference to such matters and to the opinion of such persons, as may be specified in the regulations.
- (9) Provision made by virtue of sub-paragraph (7)(d) may include provision—
 - (a) about costs;
 - (b) about interest on late payments under notices;
 - (c) about references to arbitration;
 - (d) about appeals.
- (10) Any sum which—
 - (a) an electricity supplier is required by virtue of regulations to pay to the Secretary of State, an investment contract counterparty or a CFD counterparty, and
 - (b) has not been paid by the date on which it is required by virtue of regulations to be paid,may be recovered from the electricity supplier by the Secretary of State, the investment contract counterparty or the CFD counterparty (as the case may be) as a civil debt due to that person.