
STATUTORY INSTRUMENTS

2014 No. 2043

The Electricity Capacity Regulations 2014

PART 6

Payments

CHAPTER 4

Payment and non-payment

[^{F1}Reducing capacity payments: offsetting relevant expenditure

49A.—[^{F2}(1) This paragraph applies if, before the time when a credit note is issued to a capacity provider (“C”) for a capacity payment, the Delivery Body has acknowledged receipt of a declaration under the Rules that—

- (a) relevant expenditure has been incurred, or is expected to be incurred; or
- (b) relevant benefit has been received, or is expected to be received,

in respect of the capacity committed CMU for which C is responsible (“CMU i”).]

(2) If [^{F3}paragraph (1)] applies, the Settlement Body must ensure that the credit otherwise payable to C is reduced—

- (a) by the [^{F4}aggregate] amount of any outstanding relevant expenditure [^{F5}and outstanding relevant benefit]; or
- (b) to nil, if the [^{F6}aggregate] amount of any outstanding relevant expenditure [^{F7}and outstanding relevant benefit] is equal to or greater than the amount of the credit.

(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.

[
^{F8}(3A) This paragraph applies where—

- (a) the aggregate amount of any outstanding relevant expenditure and outstanding relevant benefit (“aggregate outstanding amount”) in respect of CMU i is greater than nil; and
- (b) there are no further capacity payments in respect of CMU i which the Settlement Body would be required to reduce under paragraph (2) to offset this aggregate outstanding amount.

(3B) Where paragraph (3A) applies—

- (a) C is liable to pay to the Settlement Body an amount equal to the lesser of—
 - (i) the aggregate outstanding amount; or
 - (ii) the total amount of all the capacity payments paid to C in respect of CMU i, less the amount of any repayment of these capacity payments by C to the Settlement Body under regulation 43B, 43C or 50; and

- (b) the Settlement Body must, as soon as reasonably practicable after paragraph (3A) becomes applicable, issue to C an invoice for the amount C is liable to pay under sub-paragraph (a).]

[^{F9}(4) This regulation applies to a credit note or invoice issued in respect of a transferred part as it applies to a credit note or invoice issued in respect of a capacity agreement, and where a capacity agreement has been transferred pursuant to regulation 30A(1)(b) or (2)(b)—

- (a) the reduction in the amount payable to C pursuant to paragraph (2) is to be calculated so that it is proportionate to the period and part of the capacity obligation held by C during the month to which the credit note relates; and
- (b) the aggregate outstanding amount attributable to C under paragraph (3B)(a) is to be determined by adjusting this amount so that it is proportionate to the period and part of the capacity obligation held by C throughout the duration of the capacity agreement.]

(5) In this regulation—

[^{F10}“outstanding relevant benefit” means relevant benefit that has not been deducted from capacity payments pursuant to this regulation;]

“outstanding relevant expenditure” means relevant expenditure that has not been deducted from capacity payments pursuant to this regulation; and

[^{F11}“relevant benefit” has the meaning given in the Rules.]

“relevant expenditure” has the meaning given in the Rules.]

Textual Amendments

- F1** Reg. 49A inserted (2.11.2017) by [The Electricity Capacity \(Amendment\) Regulations 2017 \(S.I. 2017/1053\)](#), reg. 1(2), **Sch. 1 para. 5**
- F2** Reg. 49A(1) substituted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(a)**
- F3** Words in reg. 49A(2) substituted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(b)(i)**
- F4** Word in reg. 49A(2)(a) inserted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(b)(ii)(aa)**
- F5** Words in reg. 49A(2)(a) inserted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(b)(ii)(bb)**
- F6** Word in reg. 49A(2)(b) inserted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(b)(iii)(aa)**
- F7** Words in reg. 49A(2)(b) inserted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(b)(iii)(bb)**
- F8** Reg. 49A(3A)(3B) inserted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(c)**
- F9** Reg. 49A(4) substituted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(d)**
- F10** Words in reg. 49A(5) inserted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(e)(i)**
- F11** Words in reg. 49A(5) inserted (18.7.2019) by [The Electricity Capacity \(No. 2\) Regulations 2019 \(S.I. 2019/1139\)](#), regs. 1(2), **2(8)(e)(ii)**

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Electricity Capacity Regulations 2014. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch. 1 para. 2(5) words substituted by [S.I. 2024/434 reg. 12\(a\)](#)
- reg. 3(3) words inserted by [S.I. 2024/434 reg. 8](#)
- reg. 4(b) word substituted by [S.I. 2024/434 reg. 9\(c\)](#)
- reg. 4(2)(aa) inserted by [S.I. 2024/434 reg. 9\(b\)\(iii\)](#)
- reg. 19(aa) inserted by [S.I. 2024/434 reg. 11\(b\)](#)