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STATUTORY INSTRUMENTS

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**2014 No. 3354**

**The Electricity Capacity (Supplier Payment etc.) Regulations 2014**

**PART 1**

**Introduction**

**Citation and commencement**

**1.—**(1) These Regulations may be cited as the Electricity Capacity (Supplier Payment etc.) Regulations 2014.

(2) These Regulations come into force on the day after the day on which they are made.

**Interpretation**

**2.—**(1) In these Regulations—

“the Act” means the Energy Act 2013;

“EA 1989” means the Electricity Act 1989<sup>(1)</sup>;

“the Principal Regulations” means the Electricity Capacity Regulations 2014<sup>(2)</sup>;

“capacity market stage 2 credit default” has the meaning given by paragraph (2);

“capacity market supplier charge” means the charge payable by electricity suppliers to the Settlement Body under regulation 6(1);

“credit cover” has the meaning given in regulation 53(3) of the Principal Regulations;

“credit default register” means the register maintained by the Settlement Body under regulation 30;

“creditor” means an electricity supplier who is entitled to receive a payment from the Settlement Body;

“draw down” has the meaning given in regulation 53(3) of the Principal Regulations;

“electricity supplier” means—

- (a) a person supplying electricity to premises in Great Britain under a supply licence; or
- (b) a person who has supplied electricity to premises in Great Britain under a supply licence and who, by virtue of regulation 16, is liable to make or entitled to receive a payment following the termination of that supply licence;

“financial year” means a period of one year commencing with 1st April;

“invoiced amount” means the total amount payable by a payer as stated in an invoice issued to that payer under regulation 6, 9, 20 or 21;

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<sup>(1)</sup> 1989 c.29.

<sup>(2)</sup> S.I. 2014/2043.

“late payment interest”, unless specified otherwise, has the meaning given in regulation 11(3);

“monthly capacity market supplier charge” means the charge payable by electricity suppliers to the Settlement Body under regulation 6(3) or (4);

“mutualisation credit” has the meaning given in regulation 7(6);

“net demand” has the meaning given by paragraphs (3) and (4);

“payer” means an electricity supplier to whom an invoice is issued under regulation 6, 9, 20 or 21;

“payment due date”, in relation to an invoiced amount, means the day specified in the invoice in accordance with regulation 5(2) as the day by which it is to be paid;

“penalty residual supplier amount” has the meaning given in regulation 8(1);

“period of high demand” means 4 p.m. to 7 p.m. on any working day in November, December, January or February;

“reconciliation payment” means a payment under Part 5;

“reconciliation run” means the process of recalculating and redetermining the amounts of payments due to or from electricity suppliers set out in Part 5;

“relevant financial year” means a financial year commencing in 2015 or in any subsequent year;

“settlement costs” means any costs incurred by the Settlement Body in connection with the performance of any function conferred on it by these Regulations, the Principal Regulations or capacity market rules, and includes the cost of payments made by the Settlement Body to any person who provides services to it in connection with the performance of its functions;

“settlement costs levy” means the levy payable by electricity suppliers to the Settlement Body under regulation 9 to meet its settlement costs;

“supplier credit cover” means credit cover provided, or required to be provided, by an electricity supplier under regulation 28;

“supply”, and cognate terms, are to be interpreted in accordance with the meaning given to “supply” in section 4(4) of EA 1989(3);

“supply licence” means a licence granted or treated as granted under section 6(1)(d) of EA 1989(4).

(2) For the purposes of these Regulations an electricity supplier is in capacity market stage 2 credit default, in relation to a month of a delivery year, if an entry in respect of that electricity supplier and that month has been made on the credit default register under regulation 29(2).

(3) In these Regulations “net demand”, in relation to an electricity supplier (“S”), means the difference (expressed in MWh) between—

- (a) the amount of electricity supplied by S to premises in Great Britain, and
- (b) the amount of generated electricity for which S is responsible,

except that where that difference is a negative amount the net demand is zero.

(4) For the purposes of paragraph (3), S is responsible for an amount of generated electricity if—

- (a) S is responsible for the export of that electricity, for the purposes of Section K of the Balancing and Settlement Code as it was in force on 8th September 2014, by virtue of paragraph 1.2.2(a)(ii) of that Section (Export from Exemptable Generating Plant); and

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(3) The definition of “supply” in section 4(4) of EA 1989 was substituted by section 179(1) of the Energy Act 2004 (c.20). Other amendments have been made to section 4 which are not relevant.

(4) Section 6(1)(d) of EA 1989 was substituted by section 30 of the Utilities Act 2000 (c.27). Other amendments have been made to section 6 which are not relevant.

(b) the electricity so exported is generated by a plant that is not directly connected to the GB transmission system.

(5) In these Regulations, the following expressions have the meanings given in regulation 2(1) of the Principal Regulations—

“the Balancing and Settlement Code”;

“capacity agreement”;

“capacity committed CMU”;

“capacity payment”;

“capacity provider penalty charge”;

“capacity year”;

“delivery year”;

“GB transmission system”;

“MWh”;

“Settlement Body”;

“working day”.

(6) Any reference in these Regulations to an amount to be paid or provided is a reference to an amount in pounds sterling and rounded to the nearest whole penny with any half of a penny being rounded upwards.

(7) For the purposes of these Regulations, an invoice, credit note or other document is issued or given when it is given in accordance with the provisions of Schedule 2 to the Principal Regulations.

(8) Where anything is required or permitted by these Regulations to be done on or by a working day—

(a) such thing must be done by 5.00 p.m. on that day; and

(b) if the thing is done—

(i) after 5.00 p.m. on a working day; or

(ii) on a day which is not a working day,

it is to be treated as having been done on the next working day.