
STATUTORY INSTRUMENTS

2017 No. 502

**The Electricity Supplier Payments
(Amendment) Regulations 2017**

PART 2

Amendment of the ESO Regulations

11. After regulation 14 insert—

“**14A.**—(1) This regulation applies where the CFD counterparty is of the opinion that there is a high degree of likelihood that it will collect significantly more from suppliers under regulations 8(1) and 11(1) in respect of a quarterly obligation period than the amount it requires to be able to make all payments it is required to make during the reserve period which commences during that quarterly obligation period.

(2) Subject to paragraph (3), where this regulation applies the CFD counterparty may determine again the total reserve amount in respect of that quarterly obligation period in accordance with regulation 10(1)(a) and (5) (and for the purposes of this regulation the amount after it has been determined again is the “reduced total reserve amount”).

(3) The CFD counterparty may not make a determination under paragraph (2) in respect of a total reserve amount after the date which is 5 working days before the date electricity suppliers must make a reserve payment in respect of that total reserve amount under regulation 11(1).

(4) Where the CFD counterparty makes a determination under paragraph (2) in respect of a quarterly obligation period, it must—

- (a) publish a notice setting out its determination of the reduced total reserve amount for that period;
- (b) recalculate the amount (the “reduced reserve payment”) each supplier must pay under regulation 11(1) in respect of that period in accordance with regulation 11(3), and
- (c) issue a notice to each electricity supplier who was issued a notice under regulation 10(4) in respect of that period setting out the amount that supplier must pay under regulation 11(1) in respect of that period.

(5) A notice under paragraph (4)(c) may only be issued before a reconciliation notice has been issued under regulation 15(3) in respect of the same obligation period.

(6) Where the CFD counterparty issues a notice to a supplier under paragraph (4)(c) and that supplier has already made a reserve payment in respect of the quarterly obligation period to which it relates which exceeds the reduced reserve payment due from that supplier, the CFD counterparty must pay back to that supplier the difference between the amount of that reserve payment and the reduced reserve payment now due from that supplier as soon as reasonably practicable.”.