

SCHEDULE 2

Modifications to application of Principal Regulations

Failure to demonstrate satisfactory performance: modifications

3. Regulation 50 (reducing capacity payments: failure to demonstrate satisfactory performance) of the Principal Regulations applies as if—

(a) in paragraph (1), after “regulation applies” there were inserted “, subject to paragraph (7),”; and

(b) after paragraph (6), there were inserted—

(a) “(7) This paragraph applies where year X is the delivery year starting on 1st October 2019.

(b) Where this paragraph applies, this regulation applies as if—

(i) in paragraph (2), at the beginning, there were inserted “Subject to paragraphs (3A) and (3B),”;

(ii) paragraphs (2A) and (3) were omitted;

(iii) after paragraph (3) there were inserted—

“(3A) If the capacity agreement in respect of which the satisfactory performance requirement applies to CMU i was awarded before 21st December 2017 and C complies with the requirement by the end of September 2020, a monthly capacity payment is to be paid in respect of CMU i for the relevant month in which C complied with the requirement and each relevant month preceding that month.

(3B) If the capacity agreement in respect of which the satisfactory performance requirement applies to CMU i was awarded on or after 21st December 2017 and C complies with the requirement by the end of July 2020, a monthly capacity payment is to be paid in respect of CMU i for the relevant month in which C complied with the requirement and each relevant month preceding that month.”;

(iv) for paragraph (5) there were substituted—

“(5) The Settlement Body must—

(a) if paragraph (2) applies, give a notice to C which states that no monthly capacity payment is to be paid in respect of CMU i for the relevant month, and states the reason;

(b) if paragraph (3A) or (3B) applies, ensure a credit note is issued to C for the monthly capacity payment for any relevant month for which a monthly capacity payment has not yet been paid; and

(c) if paragraph (4) applies, ensure that the invoice issued to C under paragraph (4)(b) states the reason for the issue of the invoice.”; and

(v) in paragraph (6), in the definition of “relevant month”, after “year x” there were inserted “, where year x is the delivery year starting on 1st October 2019”.”.