
STATUTORY INSTRUMENTS

2021 No. 1335

The Green Gas Support Scheme Regulations 2021

PART 7

The levy

CHAPTER 2

Quarterly levy payments and levy credit payments

Letters of credit

43.—(1) A scheme supplier may provide an acceptable letter of credit in respect of all or part of their credit cover requirement.

(2) Where a scheme supplier—

- (a) provides an acceptable letter of credit by the date specified in the notice referred to in regulation 42(1), or
- (b) provides an acceptable letter of credit in the circumstances described in regulation 42(3)(b) or (c),

the amount the scheme supplier must pay to the Authority in relation to their credit cover requirement under regulation 42(3)(a), (b) or (c) (as applicable) is reduced by the amount specified in the letter of credit whilst it constitutes an acceptable letter of credit.

(3) A letter of credit is acceptable where it is—

- (a) issued by a person who holds a required credit rating,
- (b) valid for at least the quarter to which it relates and the four weeks immediately following the end of that quarter,
- (c) issued on such terms as the Authority determines are appropriate, and
- (d) issued in such form as the Authority may specify.

(4) Where a scheme supplier has provided the Authority with a letter of credit issued by a person who ceases to hold a required credit rating, that letter of credit ceases to constitute an acceptable letter of credit from the 14th day after the day on which that person ceases to hold that rating.

(5) Subject to paragraph (7), a person holds a required credit rating if that person has been assessed by—

- (a) Fitch Ratings as having a short term debt rating of “F1” or better,
- (b) Moody’s as having—
 - (i) a short term debt rating of “P-1”, or
 - (ii) a long term debt rating of “A3” or better, or
- (c) Standard and Poor’s as having a short term debt rating of “A-1” or better.

(6) For the purposes of paragraph (5)—

- (a) “Fitch Ratings” means Fitch Ratings Limited (registered company number 01316230),
 - (b) “Moody’s” means the corporation known as Moody’s Investors Service Inc. incorporated in the US State of Delaware with the file number 0577904,
 - (c) “Standard and Poor’s” means the corporation known as Standard & Poor’s Financial Services LLC. incorporated in the US State of Delaware with the file number 4621989.
- (7) The Authority may at any time give a notice to scheme suppliers specifying such alternative required credit rating as it considers appropriate, and that notice remains in force until such time as it is withdrawn by the Authority.