

## SCHEDULE 1

### Settlement calculations

#### Capacity provider penalty charges: calculation of settlement period penalty applying to a capacity committed CMU

5.—(1) The Settlement Body must, after the end of each month of a delivery year (“year X”) in which one or more relevant settlement periods occur (“month M”), calculate in respect of each relevant CMU (“CMU i”) and each relevant settlement period (“settlement period j”) the settlement period penalty in pounds applying to CMU i in respect of settlement period j (“ $SPP_{ij}$ ”).

(2)  $SPP_{ij}$  must be calculated in accordance with the formula—

$$SPP_{ij} = PR_{ix} \times (ALFCO_{ij} - AE_{ij}).$$

(3) For the purpose of sub-paragraph (2),  $PR_{ix}$  is the penalty rate in pounds per MWh applying to CMU i in respect of year X, and is to be calculated in accordance with the formula—

$$PR_{ix} = PE_{ix} \times \frac{1}{24}.$$

(4) In this paragraph—

“ $PE_{ix}$ ” means the price in pounds per MW determined in accordance with paragraph 3(4) for CMU i and year X;

“relevant CMU” means a capacity committed CMU in respect of which  $AE_{ij}$  is less than  $ALFCO_{ij}$  in one or more relevant settlement periods in month M.