

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make amendments to the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 (S.I. 2014/2014) (the “ESO Regulations”), and the Electricity Capacity (Supplier Payment etc.) Regulations 2014 (S.I. 2014/3354) (the “Supplier Payment Regulations”).

This instrument makes the following changes. Firstly, regulation 2 sets the rate for the operational costs levy in the ESO Regulations from the 1st April 2018 and for the next three operational cost periods and subsequent such periods. Secondly, regulation 3(1)(a) provides a revised figure for the settlement costs levy in regulation 9(2) of the Supplier Payment Regulations for the next three financial years and subsequent financial years. The revised figure does not apply in respect of any financial year commencing before 2018. A financial year for this purpose means a period of one year commencing with 1st April. Finally, regulation 3(1)(b) makes a correcting amendment to paragraph 7(4)(a) of Schedule 1 to the Supplier Payment Regulations.

A full-impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.