
DRAFT STATUTORY INSTRUMENTS

2023 No.

The Nuclear Regulated Asset Base Model
(Revenue Collection) Regulations 2023

PART 2

Supplier obligation

CHAPTER 7

Collateral

Requirement to provide collateral

19.—(1) This regulation applies at all times after an electricity supplier makes an electricity supply in a quarterly obligation period in respect of which it is required to make an interim rate payment.

(2) Where this regulation applies the supplier must ensure that, on any day, the revenue collection counterparty holds sufficient collateral from the supplier to meet the supplier's collateral requirement for that day.

(3) The supplier's collateral requirement for a day ("the relevant day") is determined by reference to the most recent period of 21 consecutive days prior to the last working day before the relevant day, in respect of which the BSCCo had carried out a BSC volume allocation run ("the relevant period").

(4) For each day in the relevant period, the amount of electricity supplied by the supplier on that day, less any amount of EII excluded electricity supplied by that supplier on that day, (both as determined on the last working day before the relevant day), multiplied by the interim levy rate which applies in relation to the relevant day, gives a relevant amount.

(5) The sum of the relevant amounts is the supplier's collateral requirement for the relevant day.

(6) The supplier is not to be treated as having breached its obligation under paragraph (2) where, after the first occasion on which it provided sufficient collateral to the revenue collection counterparty to meet its collateral requirement for a day—

- (a) the amount of that supplier's collateral held by the revenue collection counterparty fell below that supplier's collateral requirement for a subsequent day; and
- (b) by the second working day ("the cure day") after that subsequent day, the supplier provides sufficient collateral to the revenue collection counterparty to meet its collateral requirement for the cure day.

(7) Collateral may be provided in the form of—

- (a) cash;
- (b) appropriate letters of credit; or
- (c) a combination of the two.

(8) For the purposes of this regulation—

- (a) collateral is held by the revenue collection counterparty where it is provided to the revenue collection counterparty and not called (within the meaning of regulation 21);
 - (b) the amount of electricity supplied by a supplier on any day is the amount which the BSCCo determines, on the basis of the most recent BSC volume allocation run carried out by the BSCCo in relation to that day, as the amount of electricity that the supplier supplied on that day; and
 - (c) the interim levy rate which applies in relation to a day is the interim levy rate which applies in relation to that day by virtue of regulation 7(3).
- (9) Regulation 20 makes further provision about appropriate letters of credit.